

BUSINESS WEEK

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START
OF WAR
1939

BUSINESS
WEEK
INDEX

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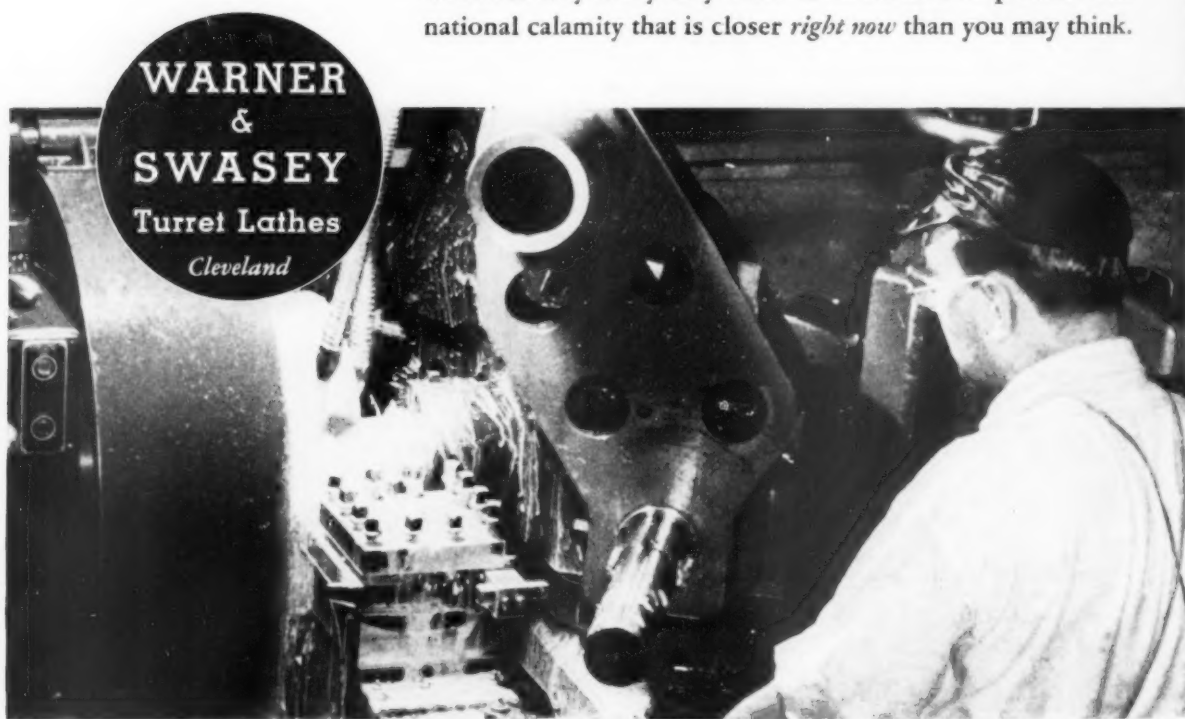
The more you get, the less you have

EVERY time you get a wage or salary increase without a corresponding increase in your production, every time you buy anything you could get along without, you hasten the inflation that will ruin you.

Inflation (run-away prices) is brought about by too much money spent on too few things. Increase the money people have without increasing the number of things available, and up go prices and you have inflation—you can't help it. *Everybody* loses.

How prevent it? Buy as little as possible; produce as much as we can and so keep costs down; put every extra cent we have in War Bonds.

Inflation is a "shell game"—you may think you can be the one to win, but you can't—everybody, rich and poor, loses, which is why everybody owes it to himself to prevent this national calamity that is closer *right now* than you may think.



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
A typical example of B. F. Goodrich development in rubber

WHEN a plane's flying at 400 miles an hour the tips of the propellers may be moving at nearly twice the speed of sound. Yet at this speed, ice can form on the propeller blades at high altitudes. Then power is lost, the engine gets out of balance, dangerous vibration begins, and there's the chance that chunks of ice will be hurled against the cockpit windshield. Some time ago B. F. Goodrich developed a propeller shoe for commercial planes that spread antifreeze along the edges of the blade. But on war-

planes, tracer bullets from enemy guns might set the antifreeze on fire — increasing danger instead of reducing it.

B. F. Goodrich research men, with aviation engineers, went to work on the problem — and found the answer in an electric heating boot for the leading edges of the propeller blade. This boot is made of a synthetic rubber that conducts heating current, concentrates the heat on the leading edge of the blade, where most ice forms. It's insulated to keep heat from going into the blade where it could do no good.

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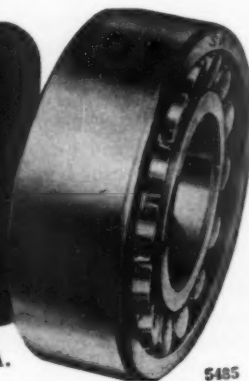
"My son is RICH!"

Think of it! Her son, in America, is buying an automobile! So, by the standards of his impoverished homeland, he must be a man of great wealth.

We Americans seldom realize how fortunate we are... how much we have to hold. Let's not forget that our world's highest standard of living is a product of Free Enterprise. Our American System isn't perfect yet. But what nation has a better one?



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BUSINESS WEEK

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D-Day

To Washington the invasion means:

A burst of patriotic spirit for home-front war efforts—notably for the Fifth War Loan drive starting next week (page 42).

A damper on domestic strife. (After the news from France had put the quietus on strikes in Detroit and Birmingham, there were only two labor disputes of consequence in the country, involving A.F.L. machinists in West Coast shipyards and C.I.O. auto workers in Wright Aeronautical at Lockland, Ohio—page 98.)

A wave of public sentiment, long counted on, to support the Administration's program for holding the line against inflation. (With attacks on both the price and the labor laws staved off until D-Day—and congressional recess only ten days away—the lineholders seem assured of an extended respite.)

A "Pearl Harbor" jump in war production, with strikes and absenteeism down, output per man-hour up, and a patriotic incentive for topping the program record made last November (page 116).

Steel Strike Is Unlikely

National War Labor Board officials are confident that Philip Murray's United Steelworkers will not strike in their drive to break the Little Steel formula—at least until success of the invasion is assured. The same officials regret, however, that NWLB—having deliberately stalled the wage case—is not now in a position immediately to reject the wage demands.

Reconversion Shifts

Invasion thinking inevitably speeds up reconversion thinking, and reconversion thinking in WPB is taking a new turn.

Ideally, as military orders are cut back, the slack in manpower, materials, and facilities would be taken up by renewed, or increased, production of only the most necessary civilian goods. That is what WPB will work on—automobiles, washing machines, mechanical refrigerators, nonjeweled pocket watches, sewing machines, vacuum cleaners, electric fans, typewriters.

But the truth is that these are not necessarily the goods that can be most

easily produced with the manpower (relatively unskilled labor), the materials (raw metal and semifabricated shapes, rather than such critical components as valves and electric motors), and the facilities (small plants with limited tooling capacity) that are likely to be released first.

Last Things First?

When asked in public about the goods that could be manufactured with what is first available, officials are now likely to talk vaguely about "bob pins," "scissors," "wire coathangers," "steel wool," and "the sort of stuff you find in the average hardware store."

Privately, however, they admit that time is not far off when, if a plant with idle facilities can lay its hands on the necessary manpower and materials without interfering with the military's munitions replacement job, it will be allowed to make whatever it can.

One official puts it this way: "If a plant made cocktail shakers before the war, we'll do our best to find something more essential that it can make as long as essentials are short—but if we can't find anything that fits, we'll just have to let it go back to cocktail shakers."

Thus there may be continuing shortages of essential goods and, at the same time, ample production of nonessential knick-knacks.

Bridging the Gap

As long as present military schedules must be met, WPB cannot fully gear itself for reconversion. Last week's reorganizations, which threw problems of contract termination and increased civilian production in the lap of the Production Executive Committee (BW—Jun.3'44,p7), are actually merely a stop-gap, designed to bridge the invasion period.

Present production controls may have to be abandoned or modified. Example of WPB's groping for new machinery is the plan for a tightly controlled metals pool, to sop up materials and facilities suddenly released from war work, by increasing civilian production with little regard for present restrictions, such as L (limitation) and M (conservation) orders.

Go-ahead decisions would be made on the basis of the showing a company could make to its regional WPB office or local area production urgency committee (page 9).

Now the Machinery

Focus of the reconversion picture has shifted from general planning to establishment of actual machinery for handling cutbacks, surplus disposal, and similar problems.

Bernard M. Baruch and John M. Hancock have notified War Mobilization Director James F. Byrnes that they are ready to close up their advisory unit on war and postwar adjustment policies. They are not quitting in a huff (they will remain to do other jobs for OWM), but they feel that their planning unit has finished its work and that from here on reconversion is up to Congress and the various executive agencies.

In a final report to Byrnes, Baruch and Hancock reviewed the work they have done, particularly their big report on war and postwar adjustment (BW—Feb.26'44,p17), and chided Congress and WPB for failure to follow up its recommendations more promptly.

Pressure on Congress

Meanwhile, the legislative tangle shows signs of straightening out.

The Administration is putting pressure on House leaders to get action on the George-Murray contract termination bill, which already has been passed by the Senate.

Surplus disposal legislation is beginning to take shape in the Senate, where Surplus War Property Administrator William L. Clayton has just presented his first specific recommendations for a bill to handle the sale of excess property. Under Clayton's proposal, SWPA would draw up plans for handling each class of property and submit them to Congress. Unless Congress countermanded the rules within six months, SWPA would be authorized to follow the plans it had laid out.

Douglas Layoff Averted

That organized labor would attempt to capitalize upon cancellation of Douglas Aircraft Co.'s A-20 attack bomber contract (BW—Jun.3'44,p7) at Santa Monica, Calif., was expected. But this week a C.I.O. move in this direction fell flat.

To Donald Douglas came a letter from Lew Michener, West Coast regional director of the C.I.O. United Auto Workers, suggesting that Douglas lean over the table with the C.I.O. and work out a plan to use labor's power

THE TOUCH OF TOMORROW IN THE PLANES OF TODAY



Flight Plan for New Frontiers

Swift progress is in the air . . . both figuratively and literally . . . for our neighbors to the South.

Vast land areas—far reaches of the interior—fabulously rich—beckon our vigorously air-minded amigos. Air trails already web the maps.

Fairchild planes play a vital role in the ambitious plans of the Latin American nations. They have long been familiar sights in the skies above Brazil, Chile, Ecuador, El Salvador, Honduras, Mexico, Nicaragua, Paraguay and Uruguay. Colombia and Peru will see them soon. Fairchilds ply the Amazon trade routes for *Panair do Brasil*. Many are used in private flying.

Hundreds of Fairchild PT-19's train military pilots of these nations. Still others serve as military taxicabs for air force liai-

son. Keen interest is being shown in the multi-purpose Fairchild AT-21. And still greater attention follows the development of the revolutionary new Fairchild all-metal Cargo plane.

Today, in her own factories, Brazil is turning out Fairchild planes and soon will be building Ranger engines. From Fairchild and Ranger engineers she is acquiring the knowledge and engineering data necessary to produce them in quantity.

Whatever the direction of their aviation activities, these nations have had the friendly, interested cooperation of Fairchild's experts, backed by the full resources of an organization whose credo it has always been to build "the touch of tomorrow in the planes of today."

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and prestige to win new contracts. Without holding such a conference, Douglas was able to tell workers this week that the company had obtained a 600% increase in production contracts for the C-54 four-engine "Sky-master" Army transport. Increased C-54 production, plus normal labor turnover, will make it virtually unnecessary to lay off anybody due to A-20 contract losses. A reduction of 8,000 workers was feared originally when the A-20 cancellation was announced.

New Ward Order

Sewell Avery's appearance before the House committee investigating the Montgomery Ward seizure was expected to be a cinch page one story. Coming on D-Day, it was almost lost in the spate of bigger news.

Of more immediate importance to the mail-order labor dispute was the new order in the Ward case issued by an 8-1 vote of the National War Labor Board.

This called on the company to extend the terms of the C.I.O. contract that had expired last December until a new agreement or board decision on the issues is reached. It was the company's defiance of a practically identical order of Jan. 13 which precipitated the Ward strike, government seizure, and congressional investigations.

Second Seizure?

An almost immediate indication that the company would follow its own precedent with respect to the board's new directive came from Ward's chief counsel, who stated that he didn't see how the company could change its position. Looming, therefore, is another decision by the President on how he should handle NWLB's most consistent defier.

"Death Sentence" Ruling Due

A ruling by the Supreme Court on the constitutionality of the "death sentence" clause of the Public Utilities Holding Company Act moved closer this week when the court agreed to review a decision by the District of Columbia Appeals Court which upheld the clause in the case of the Engineers Public Service Co. In 1942, this company was ordered by the Securities & Exchange Commission to divest itself of about \$30,000,000 of properties.

One other case on the constitutionality of the "death sentence"—that brought by the North American Co.—has reached the Supreme Court but has never been heard because four justices disqualified themselves and a quorum cannot be obtained (BW—Nov. 6 '43, p8).

Legislation was before President Roosevelt this week amending the expediting act to allow the Aluminum Co. of America antitrust case, also hung up because of no quorum, to be settled by a special three-judge court in the appeals circuit for the district in which the case originated.

This bill would not cover the North American case, which congressmen feel was settled by default when the company presented a proposed dissolution plan to SEC some months ago. If a decision is reached on constitutionality of the death sentence in the Engineers case, the issue will be settled, but there still is a chance that too many justices will disqualify themselves as they did in the North American case.

Insurance Decree Will Stick

The Supreme Court's decision that insurance is interstate commerce subject to the antitrust laws (page 18) will stick, in spite of congressional resentment.

The House probably will jam through the Walter-Hancock bill exempting insurance from the Sherman act, and there is a fair chance that the measure's alter ego, the Van Nuys-Bailey bill, will get through the Senate.

But if it does pass both houses, a veto is a sure bet, and the margin of support for the bill in the Senate will be too slim to override.

FEA "Grab" Is Protested

WPB's directive requiring cotton mills to set aside high percentages of such critically short textiles as denims, poplins, and broadcloths for export is widely regarded as another big grab by the Foreign Economic Administration. This is what actually happened: There has been no increase in the total allocation of cotton textiles for export. This was fixed last February for the first six months of 1944 at a little better than 9% of anticipated half-year production. The rub came when WPB's Textile Bureau started splitting the allocation up into specific fabrics. Taken by surprise, the Office of Civilian Requirements protested the new percent-

ages to Charles E. Wilson, WPB's executive vice-chairman, and was turned down. The percentages will stand.

Allocations for export were trimmed 40% below requirements back in February. Officials doubt that even a substantial cutback in military orders (and there's no assurance that this will come soon) would liberate enough capacity to supply both a free demand in the U. S. and minimum export needs.

Plans for getting Brazil to increase cotton textile exports may help some. Total Brazilian production is around 1,000,000,000 yd. a year, and over half of this is exported already.

Arabian Pipeline Deal Off

In deference to Administration wishes, the Senate's special oil committee won't stage public hearings until much later in the year.

The British government is considering the world oil plan discussed at the Anglo-American conference in Washington in the spring, and the State Dept. is afraid that a bomb dropped inadvertently in a congressional hearing might turn the British against the American plan.

The price which the Administration paid for the Senate's graciousness is assurance that Interior Secretary Harold L. Ickes' scheme for a government-built pipeline in Saudi Arabia will be dropped. There probably will be a pipeline, but private capital will pay for it.

The plan which the U. S. government proposes and which the British government is considering provides for American-British cooperation in the extraction and marketing of oil, for an eventual world agreement on oil, for equal access by all nations to oil holdings, for fair treatment of the colonial and quasicolonial countries that produce oil, and elimination of private cartel agreements governing oil distribution.

Corn Deal Progresses

Five government agencies are getting together on the long-pending deal to import Argentine corn: the State Dept., which says it's all right for the trade but not for the government to import the corn; the War Shipping Administration, which will assign shipping space to bring in 30,000,000 bu. July through October; the WPB, which will issue import licenses; the OPA, which will put a ceiling of \$1.25 a bu. on the corn at ports of entry; and the War Food Administration, which will pay

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the import duty of 25¢ a bu. so that the corn can be sold at domestic ceilings.

Importers who peeked in early and scrambled for options in Argentina now have a neat profit on purchases below the current price at Buenos Aires. Most of the Argentine corn will be sold to livestock feeders, but an increasing quantity will go to processors caught short—as seems likely—this summer.

Aluminum Export Vetoed

In spite of its worries about the growing surplus of aluminum, WPB is standing pat on its rigid policy of dictating the end use of any metal that is exported.

The Foreign Economic Administration would like to get aluminum for shipment to South America, where it could be made up into simple civilian goods. WPB refuses to approve shipments for any use not permitted in this country under present controls.

Canada manages to export about 2,000,000 lb. a month to widely dispersed South American customers.

Want Stoves for Mexico

FEA would also like to buy up manufacturers' stocks of Victory model gas ranges for shipment to Mexico. WPB knows that the ranges aren't selling (BW—May 27 '44, p. 21) but feels it can't justify exporting an item whose production was permitted only because it was considered absolutely essential to the U. S. civilian economy.

Capital Gains (and Losses)

Savings in substitute materials will result, the WPB reports, with quite unconscious humor, in announcing that use of zinc will be permitted for certain purposes heretofore prohibited.

Several thousand businessmen will visit Army camps on Infantry Day, June 15, by invitation extended through state, manufacturers' associations and other industrial organizations.

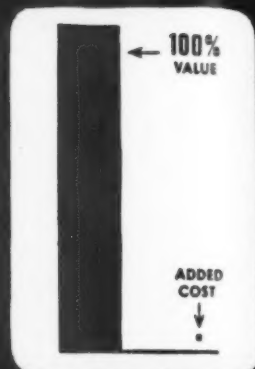
After the announcement that the invasion was under way, there was some agitation among Republicans for postponement of their party convention. They bemoan the fact that most people probably still will be following the invasion news when the convention starts on June 26.

—Business Week's
Washington Bureau

THE COVER

History has written the caption on the beachheads of France.

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THE OUTLOOK

BUSINESS WEEK

JUNE 10, 1944



The first news flash of invasion last Tuesday morning carried a twofold warning to the keen businessman:

Don't let anything or anybody divert you from hitting new highs in war output—now.

Don't dawdle another moment before completing your own reconversion blueprint, to the last dotted i—now.

Top WPB officials, themselves planning for industry's reconversion, still yearned to wipe the word from American manufacturers' speech—and thought.

War production, January through April, averaged \$5,400,000,000 a month. To meet schedules, it must push \$6,000,000,000 for the last eight months of 1944.

Reasons for getting back onto schedule—or above—rest on both patriotism and self-interest. **More production, more quickly, assures success of the invasion.**

Success obviously means resumption of civilian production. It's just a question of how much and how soon.

It probably can't come the moment the beachhead is secure, nor will it need to wait on a Nazi surrender. **Only an extraordinary show of German strength can delay the beginnings beyond the end of the third quarter.**

Yet large-scale production of hard goods for consumers can't come before the beginning of next year. Contract cancellations won't be large enough, because the Army always has to worry about the unexpected. Labor won't be plentiful or plant floors clear.

Most production experts say, in public, that the cutbacks in the first year after Germany's fall will not exceed 30%. But, in private, they have said right along that the reduction in war output will be quite a bit deeper.

The more optimistic estimates are almost sure to be right—but there is a catch. For some time cutbacks will be cautious, then wholesale.

To get the 1944 picture, you might imagine two charts side by side. One would be the schedule of war production set up by WPB to meet Army-Navy demands; the other would be what industry is likely to have to turn out, assuming invasion success.

The line on the official WPB chart would go up steadily through November. The other would certainly rise through July, maybe through August, then would stabilize for a month or two, and finally would start down gradually.

The armed services are buying on the supposition that Germany won't be knocked out before the end of 1944. Actually, the Army wouldn't be able to throw at Jerry everything it has on order until well along in 1945. There is strong doubt that we have the manpower to meet schedules even if Army and Navy stick steadfast to their goals.

Stretching manpower is one of the chief problems while we wait to see how strong a counterattack the Nazis can mount in France. That's the reason for the new controls going into effect July 1 (BW—Jun. 3'44, p96).

Broadly stated, no employer may hire a male laborer except through the U. S. Employment Service; essential industries in Group I and II labor areas will be granted hiring priorities, and plants in these areas will be

THE OUTLOOK (Continued)

BUSINESS WEEK
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subject to employment ceilings; War Manpower Commission will broaden its inspection of plants on labor utilization; efforts to move workers from surplus areas to those that are short will be intensified.

This plan is the closest we have come to national service. It hasn't the force of law, but is described as supplanting the "voluntary" controls in effect in the past.

Impact of these new WMC employment rules won't be as broad as might appear to those who have followed their evolution only casually.

Already the movements of a substantial part of the labor force are regulated in 79 of the 184 Group I and II labor areas; in many cases, the existing controls are more stringent than the new rules, and in most of the 79 communities there is no reason for WMC to change its system. Thus employers in only about 100 communities need worry much about how the regulations will affect them.

Rules now in force control all "referrals" in 19 areas; referrals of all male workers in twelve; referrals of workers who last were employed on essential jobs in 72; ceilings on employment exist in 31.

Hiring priorities are granted by WMC according to how urgent the War Production Board says an employer's product may be. Employment ceilings, however, are imposed by local agencies of WPB.

The latter has set up eleven area production urgency committees (in San Diego, Los Angeles, San Francisco, Portland, Seattle, Chicago, Detroit, Akron, Cleveland, Buffalo, and Hartford). These not only may impose employment ceilings, but also have broad powers to shift war production between plants in an area, to shut out new contracts, and to call for more war business, even though the locality may carry a Group I labor rating.

WPB also has 40 modified area production urgency committees which have only the power to set employment ceilings. An effort will be made to increase this list to 116, thus covering most of the Group I and II areas.

WPB is coming to place more and more reliance on its production urgency committees. **The new reconversion staff in WPB's Production Executive Committee is making high policy and will get materials for urgent civilian output, but the PUC's will, in many respects, have the say-so in tight labor areas.**

As war contract cutbacks grow, the Production Executive Committee will try to get programs going for refrigerators, washing machines, and so on, on an industry-wide basis. But if a PUC in Chicago, say, comes up with word that it has a company with plant and labor to make washing machines—now—the plant in Chicago is mighty likely to get the jump on its industry. **Reconversion will start where it can.**

Moral to all this is: Get your plans in shape, and in a hurry.

Figure your contract termination problems. Survey your labor force. Set up your reconversion floor layout. Plan to train key workers in new methods, new materials, new production know-how that has resulted from war output.

But always remember: A year or more between Germany's collapse and the defeat of Japan means cutbacks that aren't too violent, relatively smooth reconversion; shorten the interval by very much and the best you can expect is chaos.

FIGURES OF THE WEEK

THE INDEX (see chart below).

§ Latest Week	Preceding Week	Month Ago	6 Months Ago	Year Ago
*239.9	†239.9	240.0	242.1	229.4

PRODUCTION

Steel Ingot Operations (% of capacity).....	97.8	97.5	99.4	99.3	97.5
Production of Automobiles and Trucks.....	16,950	18,260	15,635	17,880	17,215
Engineering Const. Awards (Eng. News-Rec. 4-week daily av. in thousands)....	\$5,258	\$5,227	\$6,759	\$8,360	\$12,474
Electric Power Output (million kilowatt-hours).....	4,144	4,292	4,234	4,560	3,926
Crude Oil (daily average, 1,000 bbls.).....	4,523	4,514	4,519	4,384	3,933
Bituminous Coal (daily average, 1,000 tons).....	2,092	2,050	2,060	2,147	1,959

TRADE

Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars).....	82	82	83	84	80
All Other Carloadings (daily average, 1,000 cars).....	63	63	59	62	62
Money in Circulation (Wednesday series, millions).....	\$22,112	\$21,911	\$21,614	\$19,940	\$17,196
Department Store Sales (change from same week of preceding year).....	+11%	+15%	+18%	+13%	+43%
Business Failures (Dun & Bradstreet, number).....	22	33	42	35	56

PRICES (Average for the week)

Spot Commodity Index (Moody's, Dec. 31, 1931 = 100).....	250.8	250.7	249.6	245.8	245.4
Industrial Raw Materials (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)...	164.6	164.2	162.7	160.4	159.7
Domestic Farm Products (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)...	224.9	224.2	222.1	214.1	208.4
Finished Steel Composite (Steel, ton).....	\$56.73	\$56.73	\$56.73	\$56.73	\$56.73
Scrap Steel Composite (Iron Age, ton).....	\$19.17	\$19.17	\$19.17	\$19.17	\$19.17
Copper (electrolytic, Connecticut Valley, lb.).....	12.000¢	12.000¢	12.000¢	12.000¢	12.000¢
Wheat (No. 2, hard winter, Kansas City, bu.).....	\$1.67	\$1.64	\$1.64	\$1.60	\$1.38
Sugar (raw, delivered New York, lb.).....	3.74¢	3.74¢	3.74¢	3.74¢	3.74¢
Cotton (middling, ten designated markets, lb.).....	21.27¢	21.18¢	20.95¢	19.48¢	21.14¢
Wool Tops (New York, lb.).....	\$1.346	\$1.350	\$1.300	\$1.285	\$1.340
Rubber (ribbed smoked sheets, New York, lb.).....	22.50¢	22.50¢	22.50¢	22.50¢	22.50¢

FINANCE

90 Stocks, Price Index (Standard & Poor's Corp.).....	97.6	97.4	95.9	89.8	96.7
Medium Grade Corporate Bond Yield (30 Baa issues, Moody's).....	3.60%	3.60%	3.65%	3.84%	3.89%
High Grade Corporate Bond Yield (30 Aaa issues, Moody's).....	2.73%	†2.72%	2.73%	2.74%	2.73%
Call Loans Renewal Rate, N. Y. Stock Exchange (daily average).....	1.00%	1.00%	1.00%	1.00%	1.00%
Prime Commercial Paper, 4-to-6 months, N. Y. City (prevailing rate).....	¾%	¾%	¾%	¾-¾%	¾-¾%

BANKING (Millions of dollars)

Demand Deposits Adjusted, reporting member banks.....	36,208	35,969	34,649	33,651	31,386
Total Loans and Investments, reporting member banks.....	49,988	50,240	50,674	51,166	47,182
Commercial and Agricultural Loans, reporting member banks.....	5,846	5,906	6,035	6,379	5,662
Securities Loans, reporting member banks.....	1,781	1,839	1,882	2,082	1,537
U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks..	37,029	37,184	37,613	37,341	34,317
Other Securities Held, reporting member banks.....	2,878	2,867	2,805	2,800	3,077
Excess Reserves, all member banks (Wednesday series).....	700	800	800	1,096	1,634
Total Federal Reserve Credit Outstanding (Wednesday series).....	14,759	14,525	13,730	10,874	6,535

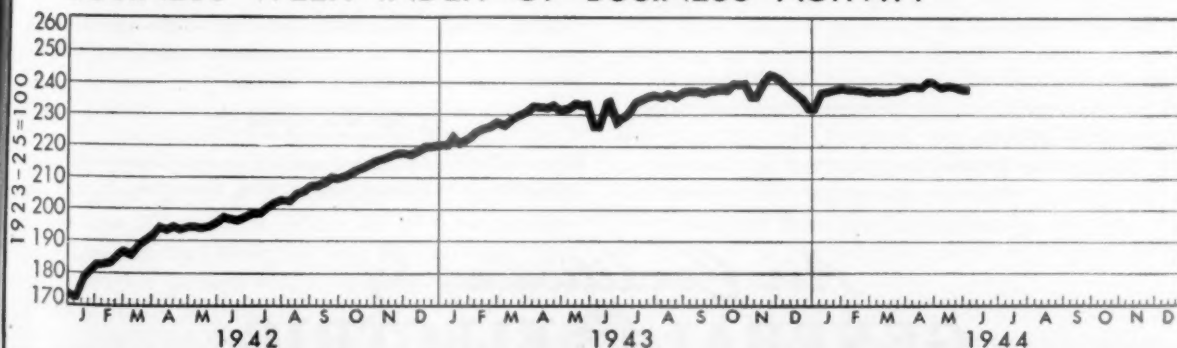
* Preliminary, week ended June 3rd.

† Revised.

‡ Ceiling fixed by government.

§ Date for "Latest Week" on each series on request.

BUSINESS WEEK INDEX OF BUSINESS ACTIVITY





*"Pardon me, but is this theater
Air Conditioned?"*

Sensible fellow! Super-colossal attractions may lure him to the box office, but they quickly lose their appeal if he knows he's going to swelter inside.

Nor does he care for damp, clammy cold . . . too cold. He wants *real* air conditioning . . . and *good* air conditioning. Today's public has a right to expect what up-to-date General Electric Air Conditioning can give . . . fresh, clean, cool, comfortable air, with *BOTH* temperature and humidity properly balanced and maintained for maximum comfort.

Of course, no theater can get new G-E Air Conditioning today. As fast as we can produce air conditioning

and refrigeration equipment, it is being rushed into war service. But after Victory, even finer G-E Air Conditioning—compact, flexible, highly efficient—will be available for theaters . . . and for stores, restaurants and offices, too!

All these improvements are definitely on the way for peacetime users of air conditioning—because they're already here in wartime applications!

☆ BUY WAR BONDS ☆

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THE BEGINNING OF THE END

The all-out attack on Fortress Europe has begun.

Allied paratroopers—thousands of them—have landed behind Hitler's Atlantic Wall.

Planes and naval units are pounding coastal defenses. Stalin's armies are massed for fresh offensives.

The long-awaited east-south-west drive against Axis Europe is under way. The outcome of this combined assault will shape the rest of this war.

Whatever immediate objectives have been assigned to each of the hundreds of divisions involved, the ultimate goal for all of them is Berlin.

For the intrepid Anglo-American attackers along the Channel this means a 600-mile drive across low-lying western Europe, bridging the Rhine, and then—if the Germans are still fighting—the new experience of battling the Nazis on their own soil.

The Russians, already well inside the old borders of Poland, are also a little over 500 miles from the German capital.

The battling Allied troops in Italy are slowly narrowing the 400 miles between them and the German frontier, but the going will be difficult, for the Italian road passes through some of the most rugged country in Europe.

Harassed Germans, desperately battling the first assaults, knew that further attacks might come momentarily—along the Russian front, in southern France, in Holland, or—most alarming of all—through vulnerable Denmark. Even while desperate battles were still raging around Normandy beachheads, Nazi preoccupation with reports of Allied fleets off the Calais coast and in the neighborhood of Genoa and Marseille betrayed the enemy's anxiety over these two points.

Axis Is Still Strong

Tremendous problems confront the Allies before they can reach their goal.

The German army is still a formidable machine—despite its losses on the eastern front and the fact that many troops are weary after five years of war.

Though many Nazi divisions are now far below full battle strength, Hitler is still credited with land forces of more than 350 divisions. About 200 of these are supposed to be stationed along the long Russian front. The rest are scattered through western and southern Europe—with nearly 50 in Italy and the Balkans.

In all, despite the advantages of shortened inside lines of communication, Hitler's front in the present show-down stretches for nearly 8,000 miles.

Only part of it is protected by strong natural barriers, or by the vaunted Nazi fortifications along the sea coast. Problem of the Allied commanders—in the east, south, and west—is to find further holes in this wall, or to weaken it by dropping well-armed paratroopers behind the lines. In the west, at least, they can count on support from a trained underground in each major country.

Allied forces in the west are estimated to outnumber the Germans by at least two to one. They are fresh and in excellent condition, though many of them lack the fighting experience of the Axis.

In the air, the Axis is believed to be outnumbered at least four to one. The ratio should improve rapidly in favor of the Allies if they are as successful as they expect in knocking the Luftwaffe out of the skies during these next three weeks of Nazi effort to stall the invasion.

Allied equipment is available in almost endless quantities, and quality—so far—is a match for the German in every line. Another week is likely to reveal any special weapons that the Reich may have.

Allies Reverse the Blitz

The bitterest fighting of the war is likely to come during the next few weeks with a frantic Axis effort to prevent a lasting breach in the Fortress.

Rockets will probably be used by both sides.

The Germans, if ever they intend to utilize poison gas, will do it now.

Every fighter plane left in the Luftwaffe will rise to battle, and Hitler's remaining bombers will join with Germany's reserve of submarines in an effort to stop the flood of transports attempting to cross from Britain to European beachheads, and the flocks of transport and supply planes which must keep up a flow of food and munitions to paratroopers who hold airfields and vital islands of attack within the Fortress.

Strategy of the Allies, from the first, is to apply in reverse the blitz strategy which the Nazis so successfully employed against Denmark, Norway, Holland, Belgium, and France in the spring of 1940. With overwhelming equipment and manpower, carefully laid plans, and large-scale aid from the undergrounds, the Axis could be upset in a few months. Read each day's progress with this in mind.

If the blitz works, it will be visible within a few weeks and will touch off an extensive conversion to civilian production in the U. S.

If blitz tactics fail, production of war supplies will be

"...from the East, South



stepped up and plans for reconversion will be pushed into the background.

The first alternative is the one that is officially expected.

Business can expect strategically necessary rehabilitation of liberated areas to keep pace with the advance, no matter how rapidly our armies forge ahead.

Mobile transport is a part of blitz warfare. Following amphibious tanks onto the beachheads will be hundreds of trucks loaded with road repair equipment, thousands of miles of telephone wire, medical supplies, auxiliary motors to provide electric power, tank trucks of gasoline and diesel fuel, and drinking water.

Ready to move in a second wave will be hundreds of locomotives and freight cars, masses of trucks to maintain land transport until rail lines are repaired, temporary bridges to replace those sure to be destroyed by the retreating Germans, and food for liberating armies which—within a few weeks—may number as many as a million men.

Native Dutch, Belgian, or French officers are attached to each invading Army, and their names are known to

advance agents who were smuggled onto the Continent several weeks ago in order to prepare the underground to assist the invaders.

Complete civilian organizations of the natives of each country are also set to move in behind the troops—along with Anglo-American technical advisers. These include men familiar with municipal administration, the operation of power plants, railroads, water supply systems, sanitary engineers, and local food supplies.

Administration problems in some ways will be more complicated in the west than in the east.

The Dutch and Norwegian governments-in-exile expect to be accepted when it becomes possible for them to return to their homelands. Accordingly, they have long been training personnel in London to accompany the invading armies as advisers and to assume full responsibility for civilian government as fast as military officials are willing to turn over liberated areas.

The Belgian government-in-exile, however, is not expected to survive when it returns to Brussels, though it is likely to hand its responsibilities to a newly appointed

th — and WEST"



government without any serious political disturbances, and its London-made plans to provide relief and coordinated control with the liberating armies are likely to carry on without any troublesome hitch.

From the beginning France will be a more serious problem. The French National Committee and Gen. de Gaulle have made it clear that they intend to assume full authority for civilian affairs from the time the military leaders relinquish control (BW—May 6'44, p115).

In the east, Czechoslovakia has established an enviable criterion of cooperation by making a detailed agreement with the Russians during the recent lull in fighting on that front. According to the terms of this deal, the Russians are to have full authority to administer any area of the country as long as it is on an active military front in their drive toward Berlin. But Czech citizens will accompany the army as advisers on local affairs and will be on hand to take over full administration as soon as the fighting ends.

In the rest of eastern Europe—Poland, Rumania, Bulgaria, possibly Greece and Yugoslavia—Moscow is

expected to insist on a free hand in the administration of territory, at least until the war ends.

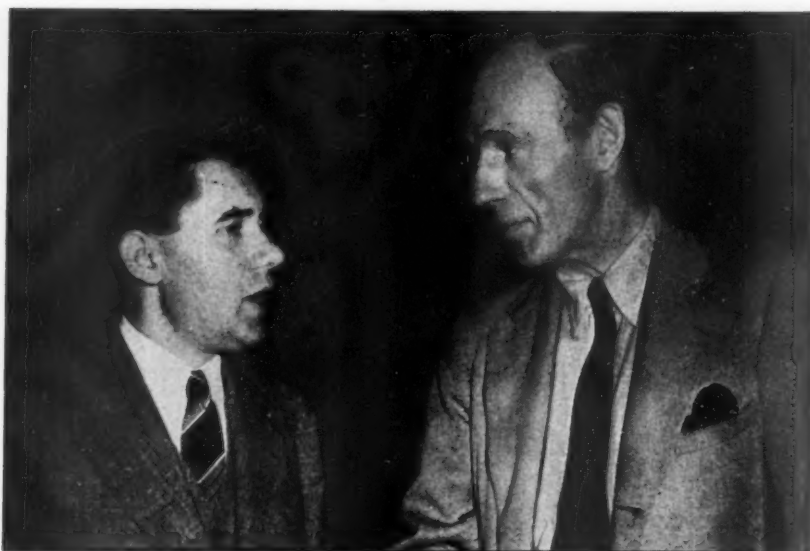
For the next few weeks, the outcome of the invasion is likely to hang in the balance.

Germany will fight back with all of its genius for military organization, and with all of the power that comes from massed equipment and highly trained troops operating over thoroughly familiar terrain.

In addition, there is now the desperate knowledge among all of the Germans—from Hitler to the privates in the line—that the Reich's last chance for a stalemate peace depends on Axis ability to make the invasion so costly that the Allies will negotiate a settlement rather than pay the price of victory.

And the Allies, on their side, must move with clock-like precision to carry out the massive plan which they have struggled for five years to launch and on which they have staked everything.

There is no lack of confidence—in Washington, London, or Moscow—that the final battles against the Axis will be successful.



TO PAVE THE WAY

On the threshold of the State Dept. building, Soviet Ambassador Andrei Gromyko* swaps notes with lofty Lord Halifax, British Ambassador, before conferring with Secretary of State Cordell Hull on one of the many international conferences

scheduled for late summer and early fall. Discussions among the Allied powers on the creation of a world security organization, monetary issues, and postwar international trade problems are included on an agenda which might be tied in adroitly with the campaign to name President Roosevelt for a fourth term (BW—Jun. 3'44,p5).

Precedent Upset

Supreme Court decision holds that insurance business is interstate and therefore subject to Sherman antitrust act.

By a 4-to-3 vote the U. S. Supreme Court this week upset precedents which began 75 years ago by ruling that insurance is business in interstate commerce. The decision thus made insurance companies subject to the Sherman antitrust act.

• **Basis of Decision**—The case before the court was an appeal by the government from a ruling of the U. S. District Court for the northern district of Georgia last summer (BW—Aug. 14'43,p108) dismissing an indictment charging the Southeastern Underwriters Assn. and affiliates with violating the antitrust laws by alleged "conspiracy to fix and obtain arbitrary and noncompetitive rates on fire insurance."

Justice Hugo Black, who wrote the majority decision—which was concurred in by Justices William O. Douglas, Frank Murphy, and Wiley Rutledge—stated in part that "no commercial enterprise of any kind which conducts its activities

across state lines has been held to be wholly beyond the regulatory power of Congress under the commerce clause" and that "we cannot make an exception of the insurance business."

• **Two Silent, Two Dissent**—Justice Black added that the language of the Sherman act affords no basis for the contention of the insurance companies "that Congress did not intend in the Sherman act to exercise its power in the interstate insurance trade."

Justices Owen J. Roberts and Stanley F. Reed took no part in the decision. Chief Justice Harlan F. Stone, however, issued a strong dissenting opinion in which Justice Felix Frankfurter concurred.

• **Confusion Predicted**—The chief justice declared that he did not doubt that some aspects of the insurance business are engaged in interstate commerce. Nevertheless, he declared, "the only practical effect of the decision now is to withdraw from the states, in large measure, the regulation of insurance and to confer it on the national government, which has adopted no legislative policy and evolved no scheme of regulation with respect to the business of insurance."

As a result, the chief justice saw the future raising of questions "which cannot be answered for years to come dur-

ing which a great business, and the regulatory officers of every state must be harassed by all the doubts and difficulties inseparable from a realignment of the distribution of power in our federal system."

• **Jackson's Dissent**—Justice Robert H. Jackson, in his dissenting opinion, said that while much insurance business was "in fact interstate commerce," it had acquired "an established doctrinal status not based on present-day facts" and for constitutional purposes had long been regarded by the court, the states, and the Congress as "not commerce."

He thus felt it was up to Congress to initiate any federal regulation and saw "little justification" now for any ruling which would "catapult Congress into immediate and undivided responsibility for supervision of the nation's insurance business."

• **Intrastate Bill Stalled**—When the case first went before the Supreme Court, 35 states asked the court to hold that insurance was not commerce and therefore not subject to federal regulation, contending that to rule otherwise would destroy the "sovereignty of the states."

Pending before Congress when the appeal was taken was the Van Nuys-Bailey bill (BW—Sep. 25'43,p5) which would declare insurance a strictly intrastate business, not subject to the antitrust laws.

• **On House Calendar**—This bill at first seemed certain of passage. However, Sen. Joseph C. O'Mahoney (D., Wyo.), who presided over the Temporary National Economic Committee's life insurance investigation, began to feel that too much pressure for its passage was being generated. As a result the bill has received little attention, although recently it was again referred by the Senate Judiciary Committee to a subcommittee. On the House side, the measure currently is on the calendar.

• **Labor Opposes**—At a hearing late last month before the Senate subcommittee, the A.F.L. took a crack at the bill when Herbert S. Thatcher, A.F.L.'s associate general counsel, opposed its enactment on the ground that it would exempt all insurance companies from the wage and hour and labor relations acts.

Whether the Supreme Court's decision this week will result in any renewed activity by supporters of the Van Nuys-Bailey bill for passage of the measure without any further delay remains to be seen.

• **Effect on Stocks**—So far as Wall Street and the markets maintained there for fire insurance stocks are concerned, the decision has caused little alarm thus far.

The calm among traders in such shares, of course, may change abruptly later on.

Sugar Report Charges Bungling

Secret committee, set up on White House orders, finds the Administration responsible for shortage through vacillation on beet program, acquiescence in diversions to Britain, alcohol allocations.

Last July, in a fireside chat, President Roosevelt broke the good news that beet rationing was being terminated as a result of the increase in merchant shipping and success against the submarine and promised that "we also expect within a short time that we shall get greatly increased allowances of sugar."

Shortly thereafter, industrial users of sugar—candy, soft drink, ice-cream makers, bakers, etc.—were granted a 10% sugar "bonus," increasing their quotas temporarily from 80% of their base year (1941) use to 90%.

Warned of Cut—But by the end of the year, the sugar situation had deteriorated to the point where industrial users were put on notice that their quotas would have to be slashed to 70% commencing in the second quarter of 1944; and there was serious talk of reducing consumer rations.

The sugar industry went up in arms; and the President himself was reported to be irritated, in view of his personal promise and the political implications.

Secret Committee—On orders from the White House a special, and very hush-hush, star-chamber committee was set up. It was headed by Ellsworth Bunker, president of the National Sugar Refining Co., and included both industry and government sugar experts. The committee's job was to get to the bottom of the sugar mess, and submit a full report within 90 days. Either sugar was to be found to make good the President's word, or an adequate explanation of the sudden reversal in sugar prospects was to be developed.

The "Bunker Report" was submitted several weeks ago to half a dozen key Washington officials; but no one was willing to talk.

Administration Blamed—The Bunker report was dynamite. It laid the blame for the sugar shortage where the President would least like to have it fall—on the Administration and on the British.

The report recited facts which, if true, constitute a serious indictment of the Administration's handling of the sugar program. It makes it clear that the President's sugar advisers knew last July that domestic beet sugar production in 1943 would be about 40% less than the 1942 crop, and that increased rations could be based only on increased imports from Caribbean areas.

Increases Were Small—But off-shore liftings increased only slightly in the last

half of 1943, and the U.S. ended the year with one of the shortest stockpiles on record. The report boils down to an accusation that the Sugar Section of the War Food Administration, headed by Dr. Joshua Bernhardt, an old-line civil service sugar man, has been guilty of at least three major mistakes.

The gist of the allegations is:

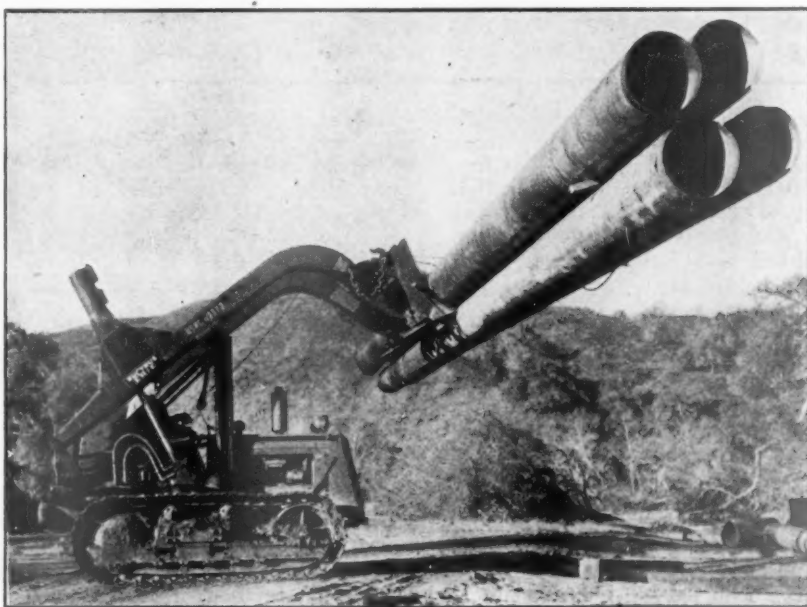
(1) The WFA hemmed and hawed on the beet-sugar program last year—acreage to be planted, subsidies to be allowed, fertilizer and machinery requirements, etc.—until beet sugar producers largely gave up in disgust and tried their hands at other products, where the WFA program was clear and the subsidies inviting.

(2) WFA agreed to the allocation of 800,000 tons of sugar to the alcohol program, and the creation of an additional reserve of 200,000 tons for alco-

hol, to conserve grain—whereas the report contends that the sugar shortage is even more serious than the grain shortage, and that sugar should not have been allocated to alcohol. The grain allocation to the alcohol program is about 150,000,000 bu., or less than 3% of the total grain supply. To produce an equivalent volume of alcohol from sugar would require nearly 3,000,000 tons of sugar, more than 50% of the sugar crop. Alcohol should be produced principally from grain rather than sugar, in the Bunker view, because alcohol requirements are insignificant from the standpoint of grain, but cataclysmic with respect to sugar supplies.

(3) The Bunker report makes a case that the WFA was either far off the mark statistically when it advised the President last July, or else derelict in its duty to get the sugar into this country subsequently to back up the President.

Britain's Record Stock—It is the last charge which packs the wallop. Bernhardt sits on the sugar section of the Combined Food Board which determines the international allocations of sugar. And last year while the United States sugar stockpile was falling to ex-



MECHANICAL PACHYDERM

On the heels of invasion shock troops in France this week roared the Army's versatile work-weapons—bulldozers—to smash blockades, to cut landing strips for the air arm. Endowed with brute strength—and some with armored cabs—the machines have helped crack Japanese lines in the

Pacific and have cleared paths for tanks in the Italian campaign. Among the newer types is Bucyrus-Erie's "Dozer-Shovel" (above), a mechanized version of India's log-toting elephant. Used as a utility crane between digging and cutting operations, the machine has interchangeable blades and shovels, as well as a U-fork which is lifted by hydraulic jacks.



GERM DESTROYER

Boxes of flour are fed into a new electronic machine to demonstrate its ability to destroy germs in packaged foods. That effect is produced by a high-frequency field which induces

heat inside the package, thus sterilizing its contents and killing spoilage organisms. The Megatherm unit built by Federal Telephone & Radio Corp., E. Newark, N. J., was displayed recently at the Institute of Food Technologists' Chicago meeting.

tremely low levels, British sugar stocks were rising to all-time highs. United Kingdom stocks increased in 1944 from 880,000 to 1,325,000 tons, about 70% of 1944 requirements, which is the largest amount ever held in Great Britain, and over twice the prewar average.

At the beginning of 1944, United States stocks were 1,761,000 tons, against 2,138,000 tons at the beginning of 1943. The Bunker report implicitly condemns our representatives on the Combined Food Board, either for not protecting United States interests or for being outmaneuvered by superior British talent.

• **Caribbean Sugar Released**—Among other things, the Bunker report points out that our representatives gave their approval to British liftings of sugar even from Puerto Rico in 1943, despite our steadily deteriorating position.

Offsetting factors on the British side, given little or no weight in the Bunker report, are that the British beet sugar crop last year was exceptionally good, and that American Liberty ships could not get into the small Caribbean harbors, thus making it virtually compulsory for the British to get the sugar out to make space for the new crop. British sugar rations, moreover, are lower than American, although compensatory cereal consumption is higher.

• **Under Lend-Lease**—A point not mentioned in the Bunker report is that much of the British sugar accumulation was under lend-lease. The British did not begin to give up dollar exchange for sugar until early this year.

Congressional fireworks may be expected at this suggestion that lend-lease has underwritten a definite post-war competitive advantage for the British—the big British stockpile—at the expense of the American sugar industry and to the serious political embarrassment of the President.

• **Administrator Proposed**—The principal Bunker report conclusion is that the government's sugar program needs heavyweight direction—a Bill Jeffers for sugar. It is recommended that a sugar administrator be created in the War Food Administration, responsible only to the War Food Administrator, with complete jurisdiction over all the diverse government agencies now dealing, many at cross-purposes, in sugar.

A sugar administrator would be well advised, according to the Bunker report, to:

(1) Reverse the trend of international sugar allocations to equalize British and American stockpile positions.

(2) As a starter on this policy, to purchase the Dominican and Haitian sugar crops as we are purchasing Cuban

sugar crops, forcing the British to utilize their domestic stocks until their stockpile is reduced to a reasonable level.

(3) Stop letting the alcohol tail wag the sugar dog—either reduce the production of alcohol (which the Bunker report contends can be done to the extent of perhaps 150,000,000 gal. without seriously affecting the war program) or require that more grain and less sugar be used.

(4) Immediately increase industrial quotas to the original 80% level, and as quickly as possible relax industrial rationing still further, and eventually consumer rationing.

(5) Encourage maximum sugar production, both domestic and Caribbean, by price and subsidy stimulants, and by increased allocations of fertilizer, machinery, and manpower.

Of the Bunker recommendations, one (increasing industrial rations to 80%) already has been accepted, to be effective in the third quarter. The British have, however, already completed their negotiations for the Dominican crop. Only a Sugar Jeffers apparently can implement the Bunker report, and then only by admitting the Administration's past mistakes, largely at the expense of the British.

DUTCH TREAT

One picture is worth a thousand words—especially if they're Dutch words.

So reasoned three Dutchmen who went to Washington as a self-constituted Michigan celery industry advisory committee. And when they got through, so reasoned OPA.

The pictures which de Heeren Newhouse, Kieft, and Muskotten used to tell their story traced each step in production of the crop, made clear to OPA and the War Food Administration why it would not be fair to producers or consumers to set ceiling prices on Michigan early celery on the basis of the average price on Sept. 19.

According to the Dutchmen, OPA had been thinking of price ceilings in terms of cents per pound, instead of boxes and crates, bunches or dozens. The pictures, however, showed that such ceilings would cause growers to delay harvesting to get more pounds, and consumers would be penalized by the delivery of older and tougher celery.

Price Administrator Chester Bowles, a veteran advertising man famous for his own presentations of cases, showed sincere professional admiration for the job of the Michigan amateurs, called a general OPA vegetable industry conference to hear the celery story.

"We were just three Dutchmen who had trouble expressing ourselves," explained the committee.

Renegotiation Methods Stand

War Contracts Price Adjustment Board amplifies general principles in basic rule book on regulations, but holds to its determination not to attempt draft of standard formula.

Since April, 1942, when Congress passed the first renegotiation law, contractors have been demanding a comprehensive statement of the principles and policies followed in price adjustment proceedings. This week they got it. The War Contracts Price Adjustment Board has just released its rule book which spells out renegotiation regulations in eight solid chapters.

Policies Explained—In spite of its size and technical tone, the new manual probably will be a best seller in industrial circles.

Besides giving detailed instructions on the mechanics of filing information on working out agreements, it contains the first full explanation of the general policies renegotiation authorities are following.

Anticipating a brisk demand, the War Contracts Board has arranged for the Superintendent of Documents to sell a copy of the new Renegotiation Regulations for \$2 a copy.

Principles Amplified—To contractors, the most interesting sections of the manual will be Chapter III—Determination of Renegotiable Business and Costs, and Chapter IV—Determination and Elimination of Excessive Profits. This is where the board lays out its interpretation of the general law and explains the standards it uses in coming to a determination of how much contractors have profited.

None of the rules laid down in the new book represents a change of policy, and many of them amplify general principles that renegotiation authorities have been following. Thus, they may give contractors answers to a number of questions that heretofore have been obscure.

Segregation Rules—The board points out, for instance, that the job of segregating renegotiable business from sales that are exempt from renegotiation is up to the contractor.

Where it is possible for the contractor to assign particular shipments to specific contracts, he should follow this method. If sales cannot be segregated, the contractor can work out a system of classification—by industry groups, product groups, or end-use classifications—and apply ratios representing the estimated extent to which the products are being used for war purposes.

The new manual lays out the rules for

making this segregation and points out that classifications under the Controlled Materials Plan can be used as a basis. In general, all Class A products—military goods—will be subject to renegotiation. Class B products often will require an analysis of purchase orders to determine their status.

General Objectives—In its discussion of the determination of excessive profits, the board sets itself five general objectives:

(1) To eliminate profits which may be considered excessive after careful review of the circumstances.

(2) To maintain or provide a substitute for competitive pressures on prices and costs.

(3) To induce reductions in prices and costs.

(4) To reward efficiency and stimulate production.

(5) To encourage prompt adjustment to a reasonable price basis when production experience indicates the original price basis was unreasonably high.

Excess-Profits Policy—As a general policy the board declares, "Contractors who sell at lower prices and produce at lower costs through good management, improved methods of production, close control of expenditures and careful purchasing should receive a relatively more favorable determination than those who do not."

Specifically, it lists six factors that the law requires it to consider in every determination of excessive profits. These are not the only factors taken into account, but in most cases they will be the major considerations. These factors and the board's interpretation of them line up like this:

Efficiency of the Contractor—Special attention will be given to the quantity



AMG'S ACID TEST

Capture of Rome and liberation of its 2,000,000 inhabitants and refugees this week put the Allied Military Government to the acid test of feeding and rehabilitating the greatest mass of people thus far. For despite their precipitate retreat, Nazi forces carried with them every available store of food and clothing. Army larders

in North Africa and England, however, are now better stocked for this gigantic job than they were when AMG tackled a similar task in Naples—with its 865,000 population (BW—Nov. 13 '43, p17). Not until the liberation of the big cities beyond this week's invasion beachheads is the job likely to tighten food rations in the U. S. where meat and canned goods have been easing up in recent weeks.

and quality of production, the performance record of the product, the reduction of costs as the contractor acquires experience, and the contractor's economy in use of materials, facilities, and manpower.

Reasonableness of Costs and Profits—The contractor's wartime record will be compared with his competitors' and with his own peacetime performance; as a rule, the years 1936-1939 will be used as a base period. But the rate of profit made on peacetime operations will not be taken as proof that the contractor should make the same rate on his

war business. The effects of increased volume, changes in costs, and the nature of the business will be considered also. "In general, the margin of profit on expanded war sales should be reduced in reasonable relationship to the expanded volume."

Capital Employed—"A contractor using his own capital is generally entitled to more favorable consideration than a contractor largely dependent upon government financing or government-furnished facilities. When a large part of the capital or facilities is supplied by the government, the contractor's con-

tribution tends to become one of management only and the profit should be considered accordingly.

Extent of Risk Assumed—Under heading, renegotiation authorities take account of danger of cutting guarantee of quality, and risks assumed by adopting a close pricing policy. It means that a contractor who accepts a lower price at the start may win with a larger margin in renegotiation than his competitor, on the theory by quoting a close price he has a greater risk in case of rising cost contract termination. "The recon-

Termination Clause Eases Subcontract Woes

John M. Hancock and his Joint Contract Termination Board relieved subcontractors of one of their worries this week by announcing the long-delayed statement of policy and uniform clause for termination of subcontracts.

Most subcontractors like the looks of the new clause, which will give them substantially the same rights and terms of settlement that the uniform clause announced early this year gives prime contractors (BW-Jan. 15 '44, p17).

• **Legislation Wanted—**The trouble, in the opinion of most subcontractors, is that there is a limit on how much a simple termination clause can do for them.

The things they want most—the right to negotiate settlements directly with the government, financial assistance during termination, assurance that they will not suffer disproportionately when the big cutbacks come—all depend on legislation that still is hanging fire in Congress.

• **Uncertainty Removed—**Nevertheless, the new clause settles one big uncertainty that has been loitering prime contractors and subcontractors alike. The standard termination article for prime contracts provides that prime contractors shall negotiate settlements with their subcontractors, subject to the approval of the contracting officer. Until the uniform clause for subcontracts was announced, there was no standard to determine what sort of settlements contracting officers would approve. With this in mind, some prime contractors have been afraid to write any but the toughest sort of termination clause into their subcontracts.

• **Simplified Clause—**In practically all respects, the new clause for subcontracts is a simplified version of the longer clause for prime contracts.

If they wish, the prime contractor and his subcontractor can negotiate a settlement without referring to a formula. If they cannot agree on a negotiated settlement, the clause provides that the settlement shall include payment for all completed articles at the contract price, payment of costs incurred on the uncompleted portion of the contract, plus an allowance of 2% profit on costs representing unprocessed goods and 8% on other costs. The total profit allowance on the uncompleted portion is not to exceed 6%, which is the same limit established for primes.

Text of the new clause follows:

• **Section A—**The buyer may terminate work under this order in whole or in part at any time by written or telegraphic notice, whenever, without the fault of the buyer (1) the government requests the termination of this order, or (2) a contract between the buyer and a third person requiring for its performance articles or services of the kind or type covered by this order is terminated, in whole or in part, or amended to eliminate or reduce such requirements. Such notice shall state the extent and effective date of such termination; and, upon the receipt thereof, the seller will, as and to the extent directed by the buyer, stop work under this order and the placement of further orders or subcontracts hereunder, terminate work under orders and subcontracts outstanding hereunder, and take any necessary action to protect property in the seller's possession in which the buyer has or may acquire an interest.

• **Section B—**If the parties cannot by negotiation agree within a reasonable time upon the amount of fair compensation to the seller for such termination, the buyer in addition to making prompt payment of amounts due for articles delivered or services rendered prior to the effective date of termination, will pay to the seller the following amounts without duplication:

(1) The contract price for all articles or services which have been completed in accordance with this order and not previously paid for.

(2) (I) The actual costs incurred by the seller which are properly allocable or apportionable under recognized commercial accounting practices to the terminated portion of this order, including the cost of discharging liabilities which are so allocable or apportionable, and (II) a sum equal to 2% of the part of such costs representing the costs of articles or materials not processed by the seller, plus a sum equal to 8% of the remainder of such costs, but the aggregate of such sums shall not exceed 6% of the whole of such costs. For the purpose of subdivision (II) such costs shall exclude any charge for interest on borrowings and shall exclude the cost of discharging liabilities for parts, materials and services not received by the seller before the effective date of termination.

(3) The reasonable costs of the seller in making settlement hereunder and in protecting property in which the buyer has or may acquire an interest.

Payments made under this section (B), exclusive of payments under subparagraph (3), shall not exceed the aggregate price specified in this order, less payments otherwise made or to be made.

• **Section C—**With the consent of the buyer, the seller may retain at an agreed price or sell at an approved price any completed articles, or any articles, materials, work in process or other things the cost of which is allocable or apportionable to this order under Section B (2) above, and will credit or pay the amounts so agreed or received as the buyer directs. As directed by the buyer, the seller will transfer title to, and make delivery of, any such articles, materials, work in process or other things not so retained or sold. Appropriate adjustment will be made for delivery costs or savings therein.

• **Section D—**The provisions of this article . . . shall not limit or affect the right of the buyer to terminate this order for the default of the seller.

Warehouses that Go to Sea



For lands keep supplies moving!
 WHILE YOUR BUYING IN JUNE AND JULY



NORDEN BOMBSIGHTS—Years of experience in precision manufacturing are enabling Burroughs to produce and deliver the famous Norden bombsight—one of the most precise instruments used in modern warfare.

FIGURING AND ACCOUNTING MACHINES are also being produced by Burroughs for the Army, Navy, U. S. Government, Lend-Lease and those business enterprises whose requirements are approved by the War Production Board.



To supply our far-flung forces in the vast Pacific, Uncle Sam's provision ships are keeping appointments with naval task forces and calling at remote island bases dispersed over thousands of miles of enemy-infested waters.

These floating warehouses are stocked with supplies of more than 12,000 different items . . . food and clothing, engine parts and hardware, radio and electrical equipment, pharmaceuticals and medical supplies . . . a multiplicity of things constantly needed by fighting ships and fighting men.

The thickness of the ship's bulky supply list suggests the tremendous amount of work required to procure, assemble and distribute these items—work that involves countless hours of careful figuring and voluminous, up-to-the-minute accounting records.

The figures and records that control the smooth flow of supplies through mill and factory, over railroad and highway, in and out of strategic shipping centers, are furnished by statistical and accounting machines. Employed in this work are thousands of the fast, accurate machines that Burroughs builds for war industries, government offices and the various branches of the armed services.

BURROUGHS ADDING MACHINE COMPANY • DETROIT 32

Burroughs

FIGURING, ACCOUNTING AND STATISTICAL MACHINES • NATIONWIDE MAINTENANCE SERVICE • BUSINESS MACHINE SUPPLIES

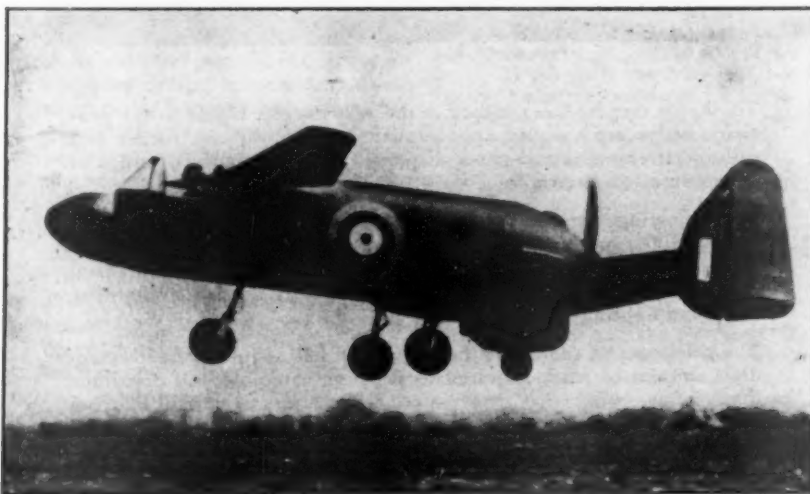
the contractor, during the fiscal year being renegotiated, in reducing prices to reflect reductions in costs and to avoid the accumulation of excessive profits should be taken into account."

Contribution to the War Effort—Exceptional performance, experimental work, assistance to other contractors, cooperation with contracting officers give the contractor a claim to special consideration.

Character of Business—In general, the board will allow a larger margin to a contractor who does his own work instead of subcontracting most of it. But where a contractor has increased production by letting out subcontracts to small plants without reducing the utilization of his own facilities, the board will give him credit.

• **No Standard Formula**—In spite of all this explanation, no contractor will find himself able to figure out in advance how much he will have to refund in renegotiation.

The board, as always, sticks by its determination to judge each case individually, without attempting to set up any standard formula. Its statement of general policy begins with the theme that renegotiation authorities have preached from the first: "Reasonable profits in every case should be determined with reference to the particular factors present without limitation or restriction by any fixed formula with respect to the rate of profit, or otherwise."



REVERSE ENGLISH

With its wing and prop in back, the Miles 35 test model fighter literally reverses orthodox aviation procedure by marking the return of the pusher-type plane. Designed and produced by Britain's Miles Aircraft, Ltd., the

Georgia Girds

Governor plans to carry fight on freight rate differential direct to Supreme Court to bypass red tape of the ICC.

Gov. Ellis G. Arnall of Georgia regards the southern freight rate differential as a red hot issue. He aims to keep it hot.

In a bold effort to dramatize this old controversy into an effective climax, he is fixing to bypass the interminable processes of the icy old Interstate Commerce Commission, by proceeding, in person, straight to the U. S. Supreme Court.

• **Jurisdiction Question**—First question the Supreme Court will have to determine, outsiders said, may be a question of jurisdiction.

Arnall, who was Georgia attorney general before he was elected governor, expressed confidence that the state, in this case, was empowered to file an original suit—by implication an action against the Interstate Commerce Commission—in the Supreme Court without first going through the lower courts.

• **Handicap Claimed**—Under existing rate schedules, it costs southern shippers more, by an average of 39%, to ship manufactured goods in southern rate territory than it would cost a northern

shipper to ship the same goods the distance in eastern or "official" rate territory.

For example, a federal inquiry (BW—Sep. 25 '43, p. 24) that in a six-month period a starch plant at Lake Miss., paid \$1,263 or 21.3% above freight charges the plant would have paid for the same shipments had it been located in the eastern rate territory.

• **Damage Claim Likely**—The state of Georgia owns a railroad—the Western & Atlantic—which may give Arnall a convenient hook to hang his law on. When he accused the railroads last week of "defrauding" Georgia, Arnall pointedly refrained from disclosing the exact nature of the allegation to be made in the Supreme Court.

But in Atlanta there was talk of a possible demand for \$175,000,000 damages to pay for the state's alleged losses in potential taxes and freight (Western & Atlantic) revenue brought about by a freight rate structure which diverts "normal" traffic away from Georgia seaports, Brunswick and Savannah, in favor of ports farther north.

• **Equalization Sought**—Freight rate equalization aims at so-called class rates on goods that move generally in less than carload lots, but is not concerned with commodity rates on bulky freight which unlike class rates are not affected by the boundaries of geographical rate territories. Southern coal shippers, for example, cannot be expected to get excited over the equalization fight because carload rates on coal shipments are not involved.

Also, special rates for various kinds of freight have been interspersed through the rate structure so that individual shippers, in the generally higher rate southern or western territories, may feel well satisfied with their freight rate situation.

• **Unpublished Data**—Involved in the bitter southern rate controversy by a report on territorial freight rates, the Transportation Board of Investigation & Research—whether from its wounds in that battle or not—is breathing its last.

Its funds are so far depleted that some of its transportation studies may never be published. Congressional committees have refused to recommend either more money or an extension of the board's life beyond next September. In its four years' existence, the board has spent about \$1,000,000.

• **ICC May Get Problem**—Neither Congress nor ICC has indicated more than a perfunctory interest in the board's recent recommendations to set up a federal transportation authority, a public transportation counsel, and a national transportation advisory council, or in other reports suggesting the need

novel craft, viewed in flight from below, appears to be flying backward. Its maker reports that the ship is suited for aircraft carrier landings because the wingspan is smaller than that of standard planes, and the position of the wing permits the pilot an almost unrestricted view.

Stomach-ache or Appendicitis?

—it's not for you to say



DON'T DO THIS: If you have an unusual abdominal pain, don't take laxatives or home remedies; don't take food or liquids, except water.

DON'T DO THIS: Don't try to go about your business. Don't rub the spot that hurts, or apply an ice bag or hot-water bag.

WHY NOT? Your appendix may be inflamed. If so, burying the intestines with food, or taking a laxative might spread infection—the cause of most cases in appendicitis. These serious complications are four as frequent among patients who have taken laxatives.

WHY NOT? Physical exertion or massaging may be dangerous if the appendix is inflamed. Heat or cold might kill the pain and give you the mistaken idea that the attack has passed. Of course it may be "only a stomach-ache." But that's not up to you to decide.



DO THIS: If the pain is puzzling and persistent, if it's accompanied by nausea or vomiting, call a doctor—and call at once—instead of attempting to prescribe for yourself.

DO THIS: Rest in bed until the doctor comes.

WHY? Only a doctor is qualified to say whether you have appendicitis. He may want to take one or more blood-cell counts, watch your temperature, and wait for pain to localize. If it is, and the doctor advises operation, quick action may save life, time, and money.

WHY? If you *do* have appendicitis, complete rest may help prevent serious complications. Thus you'll benefit yourself, and conserve your doctor's time—time on which the war places heavy demands. Prompt attention, together with the recent advances in medical science, have reduced by half the deaths from appendicitis in the past few years.

TO EMPLOYERS: In order to prevent serious complications from appendicitis, everyone should be familiar with the facts presented above.

On request, Metropolitan will gladly send you enlarged copies of this message for posting on plant or office bulletin boards.

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You can minimize the chances of valve failures by installing POWELL Valves—the valves that are scientifically designed and engineered to do specific jobs. And to help you select the correct valve, POWELL maintains a staff of experts who are always at your service for consultation.

They will also gladly help you solve any individual flow control problems which may confront you.

The Wm. Powell Co.

Dependable Valves Since 1848

Cincinnati 22, Ohio



Fig. 150—Bronze "Union Disc" Globe Valve for 150 pounds W. P. Has screwed ends, union bonnet, and renewable vulcanized composition disc. Especially adapted for throttling service—for the control of low-pressure steam, oil, water, gas, etc.

for job studies of various transportation agencies, and action to ease governmental restrictions on motor carriers.

When the board winds up its affairs soon after Labor Day, its unfinished business will be dumped into the lap of Congress, probably bounce from there into the unsympathetic arms of ICC.

Rush for Barley

Large malting companies forget tradition and contract for crop before it's planted. Grain traders cross their fingers.

Brewers, deeply worried over the supply of barley they need (BW—Jun. 3 '44, p47), have taken unusual steps to insure their future. At least one (and probably several) of the country's largest malting companies has bought barley not even planted or at least little more than in the ground.

• **It's Entirely New**—Ignoring traditional procedure, through which buyers bid on barley only after they have seen, smelled, fingered, and otherwise appraised actual samples, maltsters have agreed to take huge quantities of malting grade grain for brewing and distilling purposes. Exact quantities aren't known, but the Minneapolis grain trade estimates 5,000,000 bu.

Delivery date is any time during 1944. Price is the OPA ceiling at the time of delivery. Never before have the north central states seen transactions of this sort in anything like the reported volume.

• **Elevators Buy, Too**—Astute grain traders have their fingers crossed. They wonder if the maltsters, in their anxiety to corral needed supplies, have entered sucker deals. Then again, some feel maybe they should step in and arrange similar contracts for fear of getting left at harvest time.

Biggest single purchaser has been Fleischmann Malting Co., but some others, including elevator operators who want barley to round out their normal supplies of all grains, have made similar deals.

• **Futures Market**—There is a suspicion that commission brokers, who sell grain for country elevators at a charge of a fraction of a cent a bushel, started the whole thing. Some of them, it is pretty certainly known, went to their customers and convinced them they should sell now for delivery on a "when harvested" basis.

This, of course, amounts to the establishment of a sort of futures market. The interesting feature is that barley

has never been successfully traded in means of futures. Maltsters already dled barley on a personalized sampling and bidding premium counts depending on just how much felt grain at hand suited their plans.

• **Traders Object**—Grain men will to maintain freedom of action entered by these agreements to pay ceiling prices. These now range \$1.38 for the top grade, and buyers additionally guaranteeing to go if OPA should tilt the lid. Traders, on the other hand, want to be able to sell below the ceiling should the price precede—certainly not to be bound by prices which might turn out higher than the market.

• **Taking No Chances**—Fleischmann, however, isn't taking any chances on shortage, and is willing to pay for assured supply. It is believed the company hasn't tied up any more than a quarter of its 18,000,000-bu. annual requirement even yet.



ICC'S NEW REPUBLICAN

Appointment of George M. Barnard, a Republican, to the Interstate Commerce Commission is a bit of clean-cut politics. To maintain ICC's partisan character, President Roosevelt had to select from the G.O.P. successor to the late Joseph B. Egan; and political considerations dictated the choice of a midwesterner, Barnard, who comes from Indiana. Public Service Commission, earned the nod over others from his tenure probably because he is not committed on the highly controversial North-South freight rate equalization issue.

TRANSMISSIONEERED MEANS ADVANCED DESIGN IN POWER DRIVES



Get your Plant Ready for another Shift!

When the shift from wartime to peacetime production comes, the cost of delivering power to the work is one of several costs that will need close analysis.

The careful operator will have his power drive system Transmissioneered to put *all* the power into the job... losing none along the way. You pay the same for power—delivered or dissipated. The Dodge Transmissioneer can help you

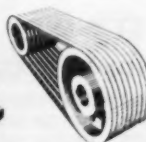
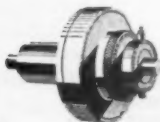
eliminate the toll taken of power by ineffective transmission.

Call on your Dodge Transmissioneer, the local Dodge distributor, to work with your plant operating men in selecting and installing "The Right Drive for Every Job".

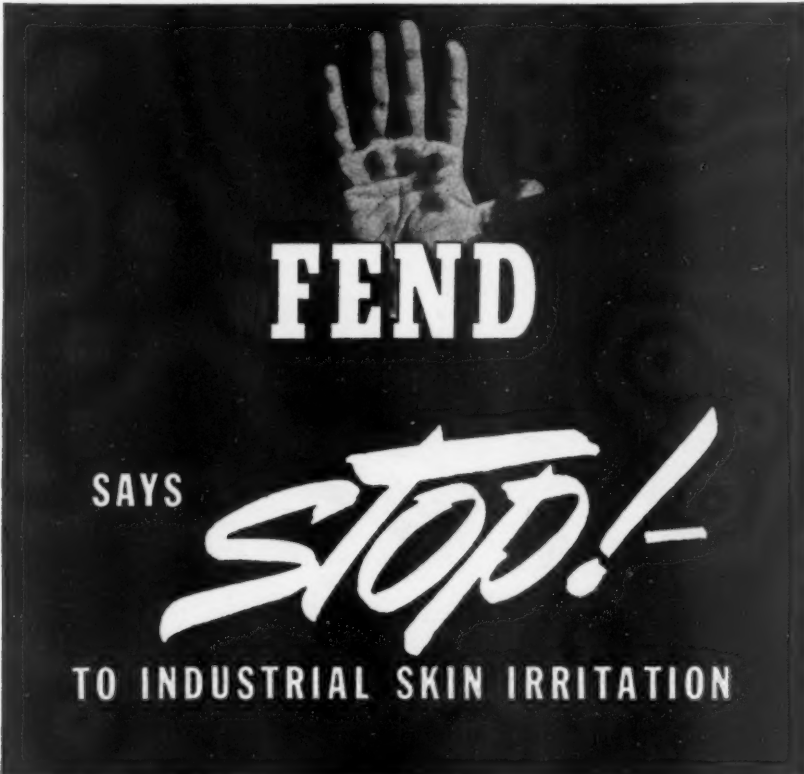
DODGE MANUFACTURING CORPORATION
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The Right Drive for every Job



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TO INDUSTRIAL SKIN IRRITATION

Interposing a barrier between industrial irritants and your workers' skin, proved FEND protective creams and lotions aid in the prevention of industrial dermatitis—are easily rubbed on the skin before each work period—easily removed with mild soap and warm water when work is finished. Get the facts on FEND for *your* particular hazards!



Write for the comprehensive FEND Brochure, including detailed application chart—free on request.

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M-S-A BREATHING APPARATUS... INHALATORS... APPROVED DUST RESPIRATORS... MASKS OF ALL TYPES... GAS INDICATORS... GAS DETECTORS... SAFETY GOGGLES... PROTECTIVE MATS AND CAPS... EDISON ELECTRIC CAP LAMPS... SAFETY BELTS... SAFETY CLOTHING... DUST INSTRUMENTS... FIRST AID EQUIPMENT. DESCRIPTIVE BULLETINS WILL BE SENT ON REQUEST.

Flour for Mexico

U. S. mills get corner when millers below Rio Grande fail to meet increased demand. Tariff barrier detoured.

The Mexican government has contracted for 300,000 cwt. of flour from U. S. mills in Texas and Oklahoma for shipment this month, and millers as far as the food industry, both north and south of the Rio Grande, believe U. S. flour will now flow across the border at the rate of 300,000 to 400,000 cwt. a month.

• **No Tariff Obstacle**—This is the largest sale of U. S. flour to Mexico in several years because the Mexican tariff made flour exports to that country practically prohibitive.

As the present sales are made to Mexico by the Mexican government, there is no tariff barrier. Moreover, the U. S. hard wheat subsidy applies to flour milled in the country for export as well as for domestic consumption.

The June shipments to Mexico based on the May subsidy rate of 10¢ a bushel.

• **Factors Behind Deal**—Several factors are responsible for the renewal of trade with Mexico:

(1) Mexico's tariff had been boosted to protect Mexican flour mills (years ago Mexico got most of its flour from the U. S.), and the past few years Mexico has annually imported 3,000,000 to 11,000,000 bushels of wheat, mainly from the U. S.

(2) Mexico contracted several months ago for about 6,000,000 bu. of Canadian wheat but much of this still is in Texas elevators. The Office of Defense Transportation restricts wheat shipments by rail because of the shortage of cars, and because Mexican railways have been slow in returning empty cars.

(3) Mexican mills have been grinding wheat at capacity but have had trouble in getting replacement parts and new equipment.

(4) Mexican demand is up because Mexicans are flush with money for the first time in many years, and they are eating more and demanding better bread for the first time. Also, many refugees in Mexico are eating white bread.

• **May Move via Gulf**—It is believed that Texas millers that the bulk of the future flour purchases for Mexico will be moved by water from Gulf ports. Some of the Southwestern flour may also move through New Orleans.

Texas and southwestern millers will come the new Mexican outlet for flour because U. S. government buying on a lend-lease has not been very active because of the shortage of shipping space. However, lend-lease purchases

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beginning to move again, and purchases
the first "Green Dot" flour have been
side again after a lapse of several
months. "Green Dot" flour is used for
feeding civilians in the liberated areas.

MILKWEED BECOMES USEFUL

State and county highway depart-
ments have been requested by the Pub-
lic Roads Administration not to mow
road sides in areas where milkweed grows
wild.

By far the most practical substitute
for critically scarce kapok for life pre-
servers (BW-Dec.5'42,p55) and other
uses, milkweed floss is required this year
to the tune of at least 1,500,000 lb.,
according to the War Production Board.
And since it takes three full years to
develop milkweed as a crop, this year's
entire floss requirements must be ob-
tained from wild plants.

PRA points out that highway right-
of-ways are one of the large potential
sources of milkweed, and that if these
areas are left unmowed until the pods
are ready for harvest in the fall, the like-
lihood of meeting the WPB goal will be
greatly increased.

SUBWAY DAMAGE CLAIMED

Chicago's municipal subway (BW-
Oct.23'43,p30) ran into a little difficulty
last week when the Commonwealth Edi-
tion Co. filed suit against the city for
\$2,000,000 damages.

The company alleges that it was dam-
aged to that extent by forced protection,
removal, and relocation of its cables,
conduits, transformers, vaults, manholes,
poles, and wires caused by the construc-
tion of the subway. The company com-
plained that the municipal subways and
tunnels law obligates the city to pay the
entire cost of such protection, removal,
and relocation and that, in failing to do
so, the city is guilty of illegal encroach-
ment on the company's franchises and
property rights.

WATER SYSTEM SOUGHT

Fairbanks, Alaska, the northernmost
incorporated city in America, with an
estimated population of 8,500, is ap-
proaching a solution to one of its first
municipal problems, a public water
system. The problem is complicated
by low winter temperatures and the
lack of a ready supply of pure water.

The business district gets its water
from a commercial utilities company.
Two theaters, a radio station, two news-
papers, public buildings, and numerous
stores are connected to the central sys-
tem with the pipes running through
steam-heated ducts for protection
against the cold. Others in the com-



"The Budding Artist"

When you want to know

GO TO AN EXPERT

It's a PARTICULARLY good idea where you come to the problem
of choosing papers. In that case, of course, the expert would be
your printer.

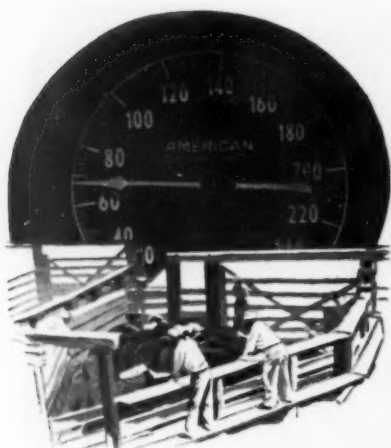
See what he has to say about Rising Papers . . . and what they
can do for the appearance of your letter. He ought to know. His
own reputation for fine work depends largely on the quality of
the paper he uses . . . and for years we have furnished these same
expert printers with fine papers for every printing purpose.

Prices on a level with other quality papers. Among other lines:

Rising Bond (25% rag), Rising Line
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Rising



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We supply all kinds—dial, glass, recording or remote control thermometers. No matter what the style or type, all American Thermometers have one quality in common—enduring accuracy. They are all built for quick, easy reading and many of their good features are exclusive inventions or developments of our engineers and technicians.

In any industry where temperatures are a vital factor in production, you may safely order American Thermometers with the knowledge that you will receive those best suited for your purpose, and that each represents the utmost in quality in its particular field.



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munity derive their water from individual wells. Most have their own electric pumps.

City officials hired the Kansas City engineering firm of Black & Veatch to conduct an intensive search for a water supply. The company has discovered adequate subterranean channels south of the town, and proposes four wells to be connected by an elaborate pumping and heating system for year-round service.

The \$1,800,000 needed may be supplied by the Federal Works Agency. The city plans to provide 20% of the funds by local sale of revenue bonds.

Mate for Psyche

White Rock stockholders asked to approve acquisition of their company and its trademark by National Distillers.

Despite the worldwide fame of its Psyche-at-the-Spring trademark, White Rock is only the No. 2 ingredient in most people's whisky and soda.

But producers and consumers alike agree that the affinity is important; and it will be clinched by a corporate relationship, if the stockholders of the White Rock Mineral Springs Co. approve the proposal submitted last week by the company's board of directors under which National Distillers Products Corp. would acquire White Rock.

• **Logical Combination**—The trade regards such a tie-up as the most logical combination since Canada Dry more than ten years ago went wet by arranging for distribution of all types of "hard" liquor (BW—Oct. 7 '33, p9).

Canada Dry now distributes Fine Art whisky, controls concerns producing Holloway's gins and Nuyens cordials and liquors, has exclusive American sales agency rights for Johnnie Walker whiskies, and other imported wines and liquors.

• **First Sold in 1873**—White Rock waters and those from the Clysmic spring, both near the Fox River at Waukesha, Wis., where all White Rock products are bottled, were first sold in 1873. Psyche entered the picture 20 years later, when Paul Thuman painted her for White Rock's use at the Chicago world fair. Originally the waters were sold for therapeutic purposes and are still used in hospitals and prescribed by many physicians.

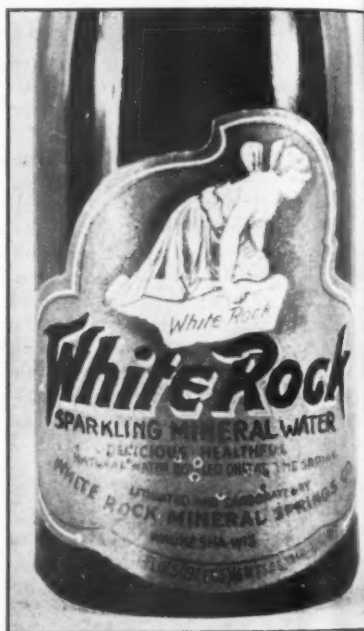
But White Rock's big customers have come to be grocery and drug stores, hotels, restaurants, clubs, railroads, and steamship lines—most of which sell White Rock, ginger ale, sarsaparilla, and

Still Rock table water as "mixers."
• **Artificially Carbonated**—If and when National Distillers acquires White Rock it will not be able to market its whiskies and its mixers together through package liquor stores, but proceeds from the sale of many a "whisky and soda" cocktail lounges and bars will go into the same corporate kitty.

Because White Rock is spring water it is commonly thought to be naturally carbonated. It is, however, artificially carbonated and "lithiated"—the process of adding oxidized lithium (a metallic element of the alkali group which resembles sodium)—to meet White Rock's famous slogan: "Keep on the alkaline side!"

• **Competition Cuts Sales**—The prohibition era was the golden age for White Rock. In those days the company had the soda water field virtually to itself. In 1930 and 1931, the company's income was so high that second preference stock earned extra dividends of \$21.25 and \$17.50.

Since 1934 and the advent of countless less competitive and less expensive brands of sparkling water which came forth in the thirties to capitalize on the market created by legal liquor, White Rock sales have fallen off sharply.



Painted for Chicago's Columbian Exposition of 1893, White Rock's Psyche at the Spring has looked down at the same company name for 50 years. Negotiations between her owner and National Distillers may soon change her view and bring about another corporate alliance between hard and soft drinks.

The Members

Bauer & Black Ltd.
 Bendix Aviation Corporation
 Walter J. Black, Inc.
 Chesebrough Mfg. Co. Consolidated
 Chrysler Corporation
 The Coca-Cola Company
 Colgate-Palmolive-Peet Company
 Corning Glass Works
 The Cudahy Packing Co.
 Devoe & Reynolds Co., Inc.
 Doubleday, Doran & Co., Inc.
 Doughnut Corp. of America
 Eversharp, Inc.
 Frank H. Flier Corp.
 F. W. Fitch Company
 General Electric Co.
 General Foods Corp.
 General Mills, Inc.
 A. C. Gilbert Co.
 Gillette Safety Razor Co.
 The Grove Laboratories, Inc.
 H. J. Heinz Company
 Geo. A. Hormel & Company
 International Cellucotton Products Co.
 The Andrew Jergens Company
 "The 'Junket' Folks"
 (Chr. Hansen's Laboratory, Inc.)
 Lambert Pharmacal Company
 Lamont, Corliss & Company
 Thomas Leeming & Co., Inc.
 Lever Brothers Company
 The Lionel Corporation
 Maybelline Company
 The Mennen Company
 Pepsi-Cola Company
 The Pepsodent Co.
 Pillsbury Flour Mills Co.
 Procter & Gamble Co.
 The Quaker Oats Co.
 Ralston Purina Co.
 R. J. Reynolds Tobacco Co.
 W. A. Sheaffer Pen Co.
 Standard Brands, Inc.
 Stokely Brothers & Company, Inc.
 Swift & Company
 Twentieth Century Fox Film Corp.
 Unicorn Press
 U. S. Army Recruiting Service
 Wilson Chemical Co., Inc.
 William H. Wise & Co., Inc.



A Most Exclusive Club

THE MEMBERSHIP of this most exclusive club is drawn from the Blue Book of American Business.

The great and the vital are on the roster. Forty-nine, all told. Select company, these leaders. Select . . . and selective!

Over the years, these members built their reputations carefully, conservatively, purposefully. They probed, searched and experimented. Only on the facts and experiences of past years did they build their plans for the next.

Differing in products and problems, differing in policies and personnel, *they nevertheless came to have two things in common!*

All became sales leaders. All became members of that most exclusive group—the advertisers in Puck-The Comic Weekly!

Two ran their first advertisements in Puck in 1931.

Four more joined them in 1932.

Five more started in 1933. A year later the total membership was 15. The number was 24 in 1940; 49 in 1943.

No one, of course, would claim that membership in Puck's group of advertisers automatically makes a company great.

But the fact that these great companies advertise consistently in Puck is particularly significant for those whose success also depends on reaching the hearts as well as the minds of 20,000,000 Americans who read Puck-The Comic Weekly.

Delivered through 15 great Sunday newspapers, Puck-The Comic Weekly takes its advertisers into the homes of more than 6,000,000 families, from coast to coast, every week!

To learn more about this opportunity call Puck-The Comic Weekly, 959 Eighth Avenue, New York 19, N. Y.; or Hearst Building, Chicago 6, Ill.

Boost Road Aid

U. S. would help cities pay for express highways, and hike its contribution toward cost of interstate thoroughfares.

Authorization to spend \$500,000,000 a year for three years on new interstate highways, half the amount originally proposed to initiate the Public Roads Administration's postwar construction program (BW-Jan.29'44,p19), is on its way through Congress. More interesting than the funds (which will not be appropriated anyway until the war ends) is the increase in federal aid, and the new formula apportioning it among the several states.

- **State Share Cut**—If the bill passes, cities of 10,000 population and over will for the first time get earmarked funds of at least 30% of the total for the construction of roads within the corporate limits.

States have hitherto put up 50% of road building funds to match the federal government's share. Under the new bill as reported by the House Roads Committee, states will put up 40%. This reduction of the states' share, however, actually is a compromise on the proposal to ask them for only 25%. The debt load of the federal government is expected to be so much heavier than that of most states after war's end that, it was felt, 75% was too much to ask from federal funds.

- **Cities Would Benefit**—The reason for granting any increase in the federal share is to boost construction of express highways through cities (now threatened by debt). It is also recognition of the fact that states will of necessity be spending other large sums on secondary roads.

Cities benefit by having 30% of the federal aid set aside for through routes within municipal limits. If the state highway department, which handles the funds, makes no plan for intracity highways, that state does not get this part of federal funds. The amount can be greater than 30% inasmuch as 45% of the total is earmarked for primary roads "inside or outside cities," hence part of this sum can be added to the 30% specifically set aside for cities.

- **Formula Revised**—The changed formula for distribution of federal aid funds will benefit urban states.

Based on area, existing roads, and population, the old proportion of one-third for each of these factors gave the edge to big and thinly populated states. The new bill proposes to distribute funds on a basis of 50% for population,

25% for area, 25% for the number of existing roads.

- **Plan Indorsed**—This attempt to give more highway funds to urban states, however, did not satisfy New York, Pennsylvania, New Jersey, Massachusetts, and Connecticut, which countered by offering other proposals for the distribution basis for federal funds.

The use as a yardstick of figures on expected postwar unemployment was one countersuggestion. It would build more highways in states that had most idle labor. Motor vehicle registrations was another proposal as a basis for allocating funds. Another was to earmark a big part of the total for urban highways and then apportion it by a method to be developed later.

Backed by the American Assn. of State Highway Officials and the American Road Builders Assn., however, Rep. J. W. Robinson of Utah got his House Roads Committee to approve the 50-25-25 plan last week by a unanimous vote.

- **Planning Funds Ready**—Immediate funds for planning and surveys are available from two sources. State highway treasuries have money from motor vehicle licenses, and PRA has about \$60,000,000 from previous appropriations that can be drawn upon. The problem facing planners, however, is manpower. Selection of routes in the interstate highway system is left to state highway departments subject to the approval of PRA.

The Robinson bill authorizes \$25,000,000 per postwar year for forest highways and half that amount for forest development roads and trails. It also authorizes construction of airplane flight strips alongside the highways in order to keep planes off the roads themselves—a postwar traffic hazard that's been bothering PRA for some time.

Poppy Rebellion

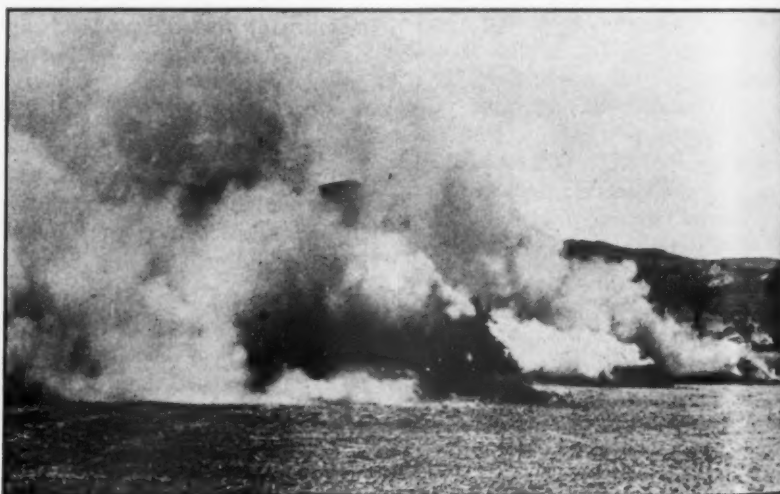
Sacramento farmers are arrested for technical evasion of narcotic law, but seek injunction against destruction of poppies

A "poppy rebellion," the outcome of which is expected to decide the constitutionality of the 1942 Opium Poppy Control Act (BW-Jul.25'42,p35) and thereby have a direct bearing on Uncle Sam's ability to discharge his treaty obligations in worldwide control of the narcotic traffic, broke out late in May among a handful of northern California farmers.

- **Farmers Arrested**—Attack on the validity of the act came as a quick aftermath to the arrest near Sacramento, Calif., of seven well-to-do farmers. Last week, they and another farmer were indicted. They had rebelled at orders of federal narcotic agents to plow under 575 acres of opium poppies being grown for their seeds. The men were charged with violating the Opium Poppy Control Act, which forbids the growing of the plant without a federal permit. All of the farmers held state permits.

Skyrocketing prices of poppy seeds—which do not contain drugs and are used extensively by housewives as a condiment and protein substitute—had prompted the farmers to plant large acreages of Persian poppies. Prewar price of poppy seeds was about 7¢ a lb. With imports off, the retail price is about 75¢. As a result, farmers engaged in growing poppy crops this year stood to realize a return of about \$750 an acre.

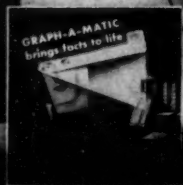
- **Lawmakers Spurred**—Attracted by such prospects, California, Washington, and



Before federal control began, poppies were grown under state permits, but were burned in the presence of government agents—after the seed harvest.

A businessman's dream of CONTROL

Fortunately, there's a far more convenient, less tiring instrument of *control* in a business than the puppet-master's strings could offer. This is Kardex's "Fact-Power" Thousands of organizations are using Kardex *Visible Record Systems* of Administrative Control to speed and simplify the analyzing, coordinating and planning required to meet today's varied managerial problems. Machine utilization is being increased . . . contract termination prepared for . . . inventories re-adjusted. "Fact-Power" has a vital part in planning reconversion, too, and in formulating the sales programs whose ultimate goal must be maximum peace-time employment levels. Kardex not only *presents* the facts about a business, but *chart-like, it actually signals their relationship to one another!* Kardex alone offers Graph-A-Matic's *visible* method of control . . . with operating savings up to 50 per cent!



EXECUTIVES: Consult one of our Systems and Methods Technicians . . . and make sure he brings your copy of "Graph-A-Matic Management Control", with its 136 new administrative case studies.

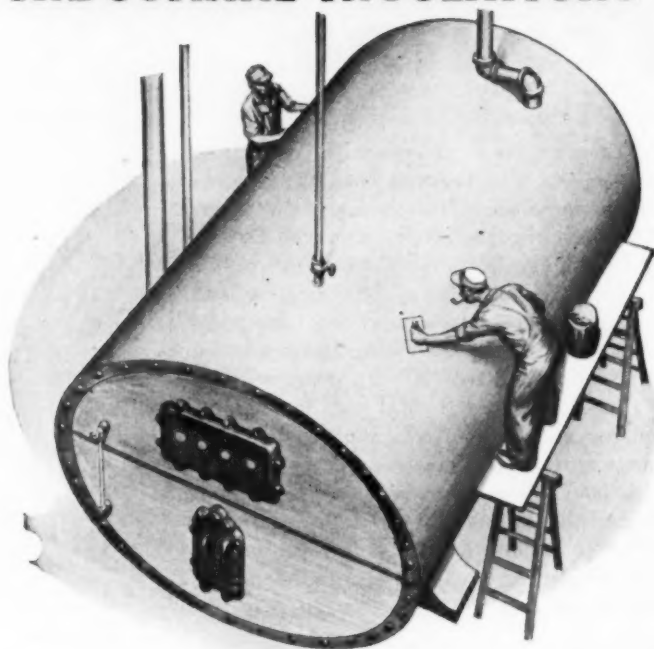
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Baldwin-Hill black rockwool possesses a combination of characteristics that provide high efficiency, permanence, and ease of application. Because it is high-temperature and moisture-resistant, it has unusually low thermal conductivity. It is physically and chemically stable, so that it will not deteriorate or break down under service conditions. Designed in the form of high- or low-temperature blocks, blankets, felts, and insulating cements, it can be quickly and efficiently applied.

Whatever your insulating problem, it will pay you to consult Baldwin-Hill. You will find B-H insulations can help you do a better job—more economically.

Baldwin-Hill Co., 550 Klagg Ave., Trenton 2, New Jersey. Plants in Trenton, New Jersey, Kalamazoo, Michigan, and Huntington, Indiana.

B-H No. 1 INSULATING CEMENT

SAVES TIME

It can be applied to hot or cold surfaces. Simply mix with water and trowel on.

STAYS PUT

Adheres immediately and forms a bond that strengthens upon drying.

NON-CORROSIVE

A rust inhibitor prevents corrosion taking place between the metal surface and cement.

Effective up to 1800° F. Send for literature.

Baldwin-Hill

C O M P A N Y



HEAT & COLD INSULATIONS

Oregon farmers began raising the narcotic-bearing plant as early as 1942. It was largely because of this new and rapidly expanding West Coast agricultural sideline that the law was passed. Prior to enactment of the law, raising of the plant was permitted under a state law requiring a permit. Destruction of the plant itself, by burning, was supervised by federal agents after the seeds had been harvested.

Despite the fact that the law became effective in early 1943, narcotic agents permitted the harvesting of last year's crops on the farmers' pleas that their plants were already growing. The agents exacted a pledge, however, that no more crops would be grown. All but the seven northern California farmers kept their promises, according to the agents. When this group defied the order of the federal men to destroy this year's crops, they were arrested on orders from Washington, and notices were posted that the poppy fields had been seized by the federal government.

• **Injunction Sought**—Three of the farmers instituted injunction proceedings, asking that the narcotic agents be enjoined from interfering with the harvesting of the poppy crops. Counsel for the farmers attacked the constitutionality of the law on grounds (1) that it violates the tenth amendment to the Constitution which guarantees states' rights, and (2) that it violates the fifth amendment by authorizing the destruction of private property without due process of law.

Federal agents absolved the farmers of any intentions of using the plant to manufacture opium, morphine, heroin, codein, or other narcotics. They contended, however, that the crops were a public menace in that they are adjacent to public highways and that there are no safeguards to prevent drug traffickers from collecting large quantities of the plant and extracting narcotic contents for sale on the bootleg market.

• **Fancy Price**—Stressing the need for strict control over poppy plants, the agents said that tests showed that 100 lb. of the matured stalks, leaves, and pods contain about four ounces of morphine, an amount that would retail for about \$2,000 in the hands of drug peddlers.

Only recently the United States succeeded in inducing Great Britain and Holland to enter into a treaty which would place even greater restrictions on the opium poppy growing industry.

• **Last Barrier**—Officials of the U.S. Bureau of Narcotics assert that if the Sacramento Valley farmers are successful in their challenge of the law, no legal barrier would exist to prevent widespread growing of the narcotic-bearing plant throughout the United States.

FIGHTING TIRES

TIRES—at Salerno, at Guadalcanal, at Tarawa.

TIRES—cushioning the take-offs of giant bombers and speedy fighter planes.

TIRES—on the wheels of combat cars, jeeps, mobile guns—leading the attack.

TIRES—keeping the lumbering supply trucks rolling up behind the lines with ammunition and food and supplies.

TIRES—doing their job where there were runways for our planes. **TIRES**—doing their job *anyway* when there were no runways, over the roughest terrain.

TIRES—carrying the army forward over deserts, through jungles, rocks, ruts, and shell holes. **TIRES**—doing the toughest job they've ever been called on to do—and doing it well.

Never was there a tire test like this before! A test of new materials, of new methods, of synthetic rubber, of tires built to keep on rolling even when torn with enemy gunfire.

Such performance is a testimonial to the vision of the leaders of our Armed Forces. Under their leadership, and profiting from their experience on combat, American tire engineers are constantly building better and stronger tires.

They are building *fighting* tires.



SERVING THROUGH SCIENCE



TO BUILD A BETTER WORLD



Tires on combat cars must keep on rolling even when riddled with gunfire. Special combat tires, like those on this tank destroyer, can take that kind of punishment. They are built so strong that even when pierced with bullets they won't go flat for many, many miles.



Tires for many of the Army trucks must be made with only 30% or less natural rubber. To use every ounce to the best advantage, "U.S." developed "the inlaid carcass." Through this development the rubber is placed directly under the tread where it is needed most.



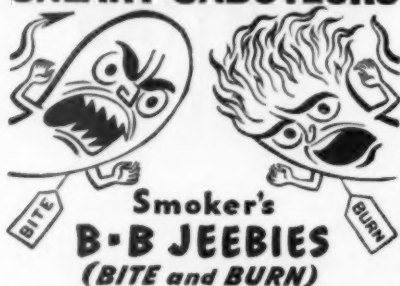
Today, thanks to those who are serving through science, through engineering and through production, there is synthetic rubber in plenty and in quality to meet the needs of our Armed Forces. But it takes a lot of rubber to fight and win a war. *Conserve your tires.*

Listen to the Philharmonic-Symphony program over the CBS network Sunday afternoon, 3:00 to 4:30 E.W.T. Carl Van Doren and a guest star present an interlude of historical significance.

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Makes Light Work Out of Tough Sweeping Jobs

Steel back of Speed Sweep brushes is the basis of unique construction for faster, easier, better sweeping. Block is $\frac{1}{2}$ usual size—easier to handle. Tufts of longer, better fibres are more compact—provide "spring and snap" action. Handle instantly adjustable to height of sweeper—reduces fatigue and strain. Speed Sweep brushes are built to outlast ordinary brushes 3 to 1.

FULLY GUARANTEED

Since Pearl Harbor Speed Sweep brushes have proved their superiority in many thousands of factories under varied conditions. They are unconditionally guaranteed to meet your requirements. Prompt shipment on AA-5 or higher priority rating. Write for styles, sizes, and prices today.



More Fertilizer

Commercial plant food prospects are good as industry attains a new production peak. A few shortages are likely.

With the biggest fertilizer year in history ending June 30, the outlook for commercial plant food for 1944-1945 is better than at any time since war industries began competing for chemicals, manpower, transportation, and other facilities.

● **Use Expands**—During the past twelve months, 12,000,000 tons of commercial fertilizer will have been spread on fields, compared with 9,500,000 in the 1941 prewar calendar year.

The three chief types of fertilizer materials are more plentiful. Although tonnage figures won't increase so much percentage-wise as the content of plant food, they will go up somewhat. For 1944-1945 nitrogen will be up 10% to 14% over 1943-1944 depending on imports from Chile and military requirements for munitions. Superphosphate supplies will increase 15%, and potash probably about the same percentage.

● **Some Shortages**—While the total supply is sufficient, fertilizer for all users will not be on hand at all times. Spotty conditions will cause local shortages.

The total nitrogen supply for U. S. agriculture is estimated at 706,000 tons. Canada's new synthetic plants along the border will send 110,040 tons of this, and Chile about 104,000 tons. There are some fears that the 40,000 tons earmarked for lend-lease will not be enough if more areas are liberated in Europe this summer, and that domestic supplies will be robbed.

● **More Potash**—The total potash supply is estimated at about 900,000 tons, the increase accounted for by high-grade muriate (about 81,000 tons), a fortuitous shipment of 10,000 tons arranged with Russia, availability of 20,000 tons assigned to lend-lease but not picked up, and increased efficiency in production.

For glass making, munitions, and other industrial uses, about 85,000 tons (same as last year) are set aside. This leaves about 700,000 tons for agriculture, compared with 604 tons in 1943-1944.

Sulphuric acid is available for superphosphates, but labor is short. However, the year's output is expected to be 8,000,000 tons.

● **Greater Demand**—While farm income is high, demand for fertilizer will remain high. Last year 2,500,000 of 6,250,000 farmers bought fertilizer and used it on about 70,000,000 of the 380,000,000

acres planted. Prices received for products by farmers are about 196 of parity (1914-1916) while those for the supplies they buy are 175. Fertilizer is only 121.

● **Big Cities Help**—An increasing source of plant food is sewage from big cities. Sludges like Milwaukee's Milorganite have a smaller percentage of plant food (8% to 10%) than some fertilizers (16% to 20%). But they are of great value as a conditioner for other chemical materials that otherwise absorb too much moisture and become hard to handle on the farm.

Houston, Indianapolis, and Chicago are other cities having flocculating plants. Total production next year is estimated at 550,000 tons.

Rehabilitation of the French Moroccan phosphate industry with \$5,000,000 from the U. S. Foreign Economic Administration is already under way. U. S. fertilizer manufacturers foresee that this will mean a loss of English and German markets to them in peacetime.

● **For Army Gardens**—One oddity of the export situation is the shipment of fertilizer to American soldiers in the Southwest Pacific where the tide of war has moved on. To improve their food supplies and bolster morale wilted by comparative idleness, the Army is urging these men to grow Victory gardens.

When the National Fertilizer Assn.



SAFETY ROOF

A canopy of tubular and sheet steel protects operators of industrial lift trucks from the hazards of falling loads. The wrinkle, developed by Douglas Aircraft, provides added safety for inexperienced drivers who may be inclined to load lifting forks improperly. Canopy framework is hinged at the rear to permit tilting of the fork supports at the front.

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meets June 19 in Atlanta, its members
will discuss the progress made in over-
coming the stickiness of fertilizer made
from surplus Army ammonium nitrate
(BW—Dec. 11 '43, p71), plans for getting
farmers to buy earlier, problems of stor-
age, government and war plants, and
imports of duty-free nitrogen from
Canada.

Eggs for Tankage

Chicago
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...year is

WFA dumps thousands of
cases into animal feed when
production breaks all records.
Storage space is short.

Moroc-
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During the past five months, 2,500,
000,000 more eggs were laid than in the
same period last year, the total of 33,
235,000,000 setting an all-time record.

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WFA in a Tight Spot—The flush,
mostly in the Middle West, caught the
War Food Administration between the
onset of a price support commitment
(BW—Apr. 15 '44, p49) and the hammer
of overproduction. By last week the
pile-up was so bad that WFA began
to dump eggs into meat scrap tankage
for animal food.

Assn.

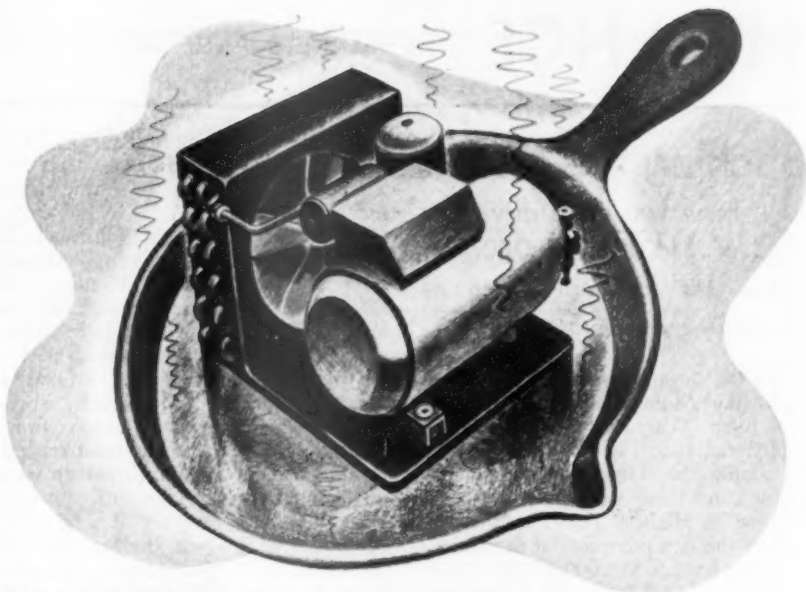
Abundance of hens fed by lush greens,
caused by spring rains, and the zeal of
hatchery men and poultry raisers were
beyond WFA's control. So are the
approach of hot weather in the Mid-
dle West and the shortage of cold stor-
age space. The glut of fat backs and
pawbells which must go into available
cold space also is a factor.

Agency Buys Heavily—WFA already
had bought 4,000,000 cases (30 doz.
to the case) this year and these eggs
are in storage, compared with the 86,000
cases the agency bought during the first
five months of 1943. WFA and the
Office of War Information have been
conducting a campaign to get the
armed forces, institutions, and school
lunch programs to use more eggs.

Consumption has increased 13%
above the 1939-1944 average during the
first quarter of this year, which showed
a 4% gain over the same period of 1943.

For Animal Feed—Dropping the price,
perhaps the most effective way to boost
consumption, conflicts with the price
support program on which poultry men
have built their wartime flocks, and
would lead into other complications.

During the first week of diverting
eggs to animal feed, 30 carloads (18,
000 cases) went into liquid tankage,
shells and all, in a proportion of 40%
eggs to 60% meat scrap tankage. Pro-
tein content of this mixture is between
50% and 55%. It is a general stock
food.



REFRIGERATORS—among other things—OUGHT TO BE COOLER!

★ Many popular, heavy-duty refriger-
ating units have radiators and fans
quite a bit like those in your car. Their
purpose is to cool the compressed, hot
refrigerant so it, in turn, can cool effi-
ciently when it expands.

As the fan draws dirt-laden air
through the radiator, however, it be-
comes clogged, and the hot refrigerant is
insulated from the cooling air. As a
result, the unit must work harder to
produce the desired temperatures.

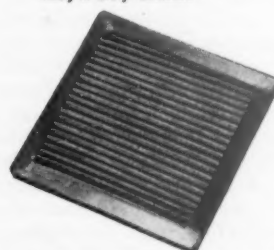
Wherever, as in this case, dirt deposits
are harmful, efficient air filters offer a
solution. Air-Maze panel type filters
are especially adapted to these installa-
tions. Permanent, efficient, and with a
dust capacity that minimizes servicing,
they keep radiating surfaces clean—
and therefore cooler.

Air-Maze engineers will be glad to
work with you in specifying or designing
a filter for your purposes. For informa-
tion on standard types and installa-
tions, write for catalog AGC-144.

PASTE THIS IN YOUR HAT



Hot surfaces attract dirt. Thus
insulated, they become still
hotter. Keep them clean with
Air-Maze air filters, and
they'll stay cooler.



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AIR-MAZE

SPECIALISTS IN AIR FILTRATION

Backing the Attack

New war bond drive has goal of \$16,000,000,000. Big quota set for individuals as Treasury eyes savings.

To the slogan-tune of "Back the Attack—Buy More Than Ever Before," the Fifth War Loan drive will get under way June 12, the new campaign to supply the Treasury with wartime funds continuing through July 8.

• **Goal Is Highest Yet**—The Treasury has set the nation's quota at the record-breaking level of \$16,000,000,000, compared with \$14,000,000,000 in the drive early this year and \$15,000,000,000 for the campaign last fall. However, the early-1944 \$14,000,000,000 loan quota was topped by some \$2,730,000,000, and last fall's was oversubscribed by almost \$4,000,000,000.

Consequently, Secretary Henry Morgenthau, Jr., who sees the critical phases of the war still ahead with no decline in direct war expenditures (which exceeded \$24,000,000,000 in the first quarter of 1944), is confident that the Treasury's urgent need of new money will be more than supplied.

• **Big Quota for Citizens**—Following the custom set some time ago, the commercial banks (banks accepting demand deposits) will not be permitted to become active participants in the current drive. They may invest only 20% or \$400,000, whichever is less, of their time and savings deposits of individuals in certain bonds included in the offering. But purchases under this restriction will not be credited to the drive totals.

Instead, once again the Treasury is depending on subscriptions from other sources, and this time it will endeavor to collect at least \$6,000,000,000, or 37½% of the quota, from savings and current earnings of individuals alone.

• **Familiar Offerings**—To emphasize the importance of such purchasers, the Treasury will report only the sales to individuals in the first two weeks of the drive. And to help citizens meet the demand being currently made upon them, they will be given credit for all savings bonds processed in the entire two months of June and July.

The basket of securities to be offered now shows relatively little change. As in previous drives, it will include the familiar Series E, F, and G savings bonds; Series C savings notes; the 2½%

bonds due in 1970 and callable in 1965 (which commercial banks can't buy for a ten-year period); and ½% certificates of indebtedness.

For the 15-year 2½% bonds which were offered in the January-February campaign, the Treasury is now substituting 2's due in 1954 and callable in 1952. Included in the offering, also, will be new 1½% notes due in 1947.

• **Not Discouraged**—The Treasury's current quota for individuals represents the highest amount sought from this group since the department started to direct its war loan drives at war-swollen personal savings and earnings. That quota has been set at a \$6,000,000,000 level, despite the fact that in the last drive individual purchases failed by some \$190,000,000 to meet only a \$5,500,000,000 goal.

However, the Treasury has noted the steady rise in individual participation in each successive drive.

• **Ratio Climbs**—Almost 32% of subscriptions in the fourth drive came from individuals, compared with 28.4% in the third, 17.7% in the second, and only 12.3 in the initial campaign. This growth has been achieved despite the virtual elimination of the individual speculators or "free riders" in the two previous drives (BW—Mar. 11 '44, p. 78).

It is expected that the \$10,000,000,000 quota set up for other noncommercial banking investors, such as the insurance companies, savings banks, and corporations, will be easily met.

Many insurance companies, for example, have been disposing of corpo-

rate and municipal bonds to pave the way for another big addition to their already large holdings of government securities, which, with purchases of over \$2,100,000,000 of bonds in the first quarter of 1944, recently exceeded \$13,830,000,000 and represented about 41% of all their investments.

• **No Free Riders**—Despite recent reports that the Treasury, anxious to insure a substantial oversubscription of its \$16,000,000,000 goal, would relax its rules to permit more speculative purchases during the current drive, it intends to make every effort, as in the past, to eliminate the "free riders."

It has requested that all trading in the marketable securities being offered be deferred until the drive has ended early next month. Also, it has asked all banks to decline to make any loans covering purchases of bonds during the campaign except those "on a short term or amortization basis fully repayable within periods not exceeding six months."

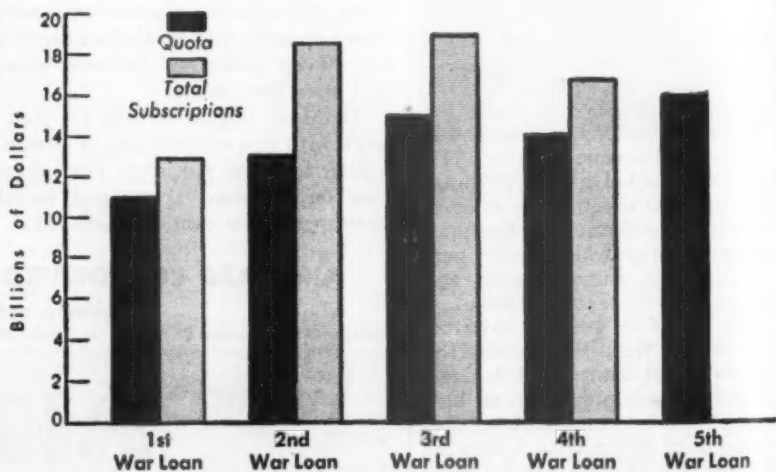
• **Exchange Cooperates**—The New York Stock Exchange, too, has ruled against its member firms' carrying on margin any of the issues now being offered, prior to Aug. 1, unless the customer agrees to pay off such indebtedness within six months and does not contemplate selling those securities before making such full payment.

SALES PACTS QUESTIONED

Keeshin Motor Express Co., Inc., Chicago, John L. Keeshin, its president, and another officer were accused of 23 violations of the Interstate Commerce Act in an indictment returned last week by a federal grand jury at Chicago.

According to the true bill, the Kee-

WAR LOAN GOAL AT NEW HIGH



Data: U. S. Treasury Dept.

© BUSINESS WEEK

PRIVATE ENTERPRISE—(continued)

*New York's First Bank
Established 1784*



*Personal Trusts
Since 1830*

Prop'r

THERE was something homespun and satisfying about that quaint word, "Prop'r." Appearing on letterheads and signboards, it was more than an identification of management. It was a symbol of individual pride, independence, hard-earned experience and authority without benefit of bureaucracy.

When "Prop'r." was supplanted by "Inc." the change simply meant multiple proprietors, as well as more horsepower, more workers, more salesmen, more products, more research, faster progress. It has been too easy to forget that our American corporations, no matter how large, are still indi-

vidual proprietary interests, systematically combined.

The proprietary instinct in man is so deep-rooted, so intertwined with concepts of justice, liberty and happiness, that to suppress or diminish it in the slightest is to handicap human nature and retard progress.

The energy and know-how that can best provide the houses, clothing, food, medicine, and all the facilities and comforts of living for mankind do not come from state ownership. They come from personal initiative and independence which, as plain facts of history, have been the great obstacles to tyranny and dictatorship.

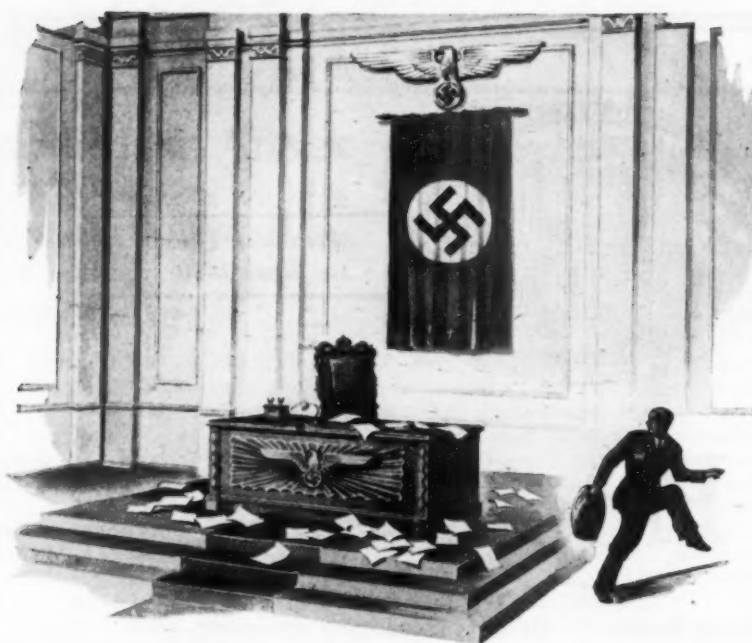
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UPTOWN OFFICE: MADISON AVENUE AT 63RD STREET

Commercial Banking

Executor and Trustee



When Hitler steps down *will your Credit Losses step up?*

HITLER'S exit will be the best news in a lifetime . . . but for some, bad news will follow Germany's surrender.

Many companies whose credit seemed beyond question may suddenly find themselves unable to pay what they owe. And right there is a demonstration of why your business needs American Credit Insurance *now . . . to protect you against sudden changes which can affect your customers' ability to pay after shipments are made.*

American Credit Insurance *guarantees* payment of your accounts receivable. It guarantees, *for the uncertain future*, that abnormal and unpredictable credit losses will not impair your working capital . . . or your credit . . . or your profits. In short, it gives you certainty in place of uncertainty.

Your credit manager investigates, appraises and controls credits on all accounts as usual. American Credit Insurance supplements his work and fortifies his judgment . . . by protecting you against credit losses caused by developments after (or undiscovered before) goods are shipped.

Manufacturers and jobbers in over 150 lines of business carry American Credit Insurance. You need it too. For further information, write for our booklet, "The A-B-C of Credit Insurance." Address: Dept. 42, American Credit Indemnity Co. of N.Y., First National Bank Building, Baltimore-2, Md.

J. T. Madden
President



American Credit Insurance

*Pays You When
Your Customers Can't*

OFFICES IN PRINCIPAL CITIES OF UNITED STATES AND CANADA

shin company between June 28, 1941 and Jan. 30, 1943, violated that portion of the law under which such companies are prohibited from issuing more than \$500,000 in long-term securities that are payable after two or more years or more than \$100,000 in shorter-term securities without permission of the Interstate Commerce Commission.

The indictment, Keeshin reports, had its inception in purchases made by the company, during the period in question, of about \$1,000,000 of motor equipment, mainly on conditional sales contracts that have been paid off except for about 5% which do not come due until next October.

He claims that such sales contracts never have been considered by the trucking business to be securities as defined by the commerce act. Keeshin subsequently filed applications with ICC covering issuance of the contracts.

DOUGLAS OBTAINS LOANS

Will the war be over by 1947?

Donald Douglas, president of Douglas Aircraft Co., Inc., apparently thinks so, and is willing to pay commitment interest to be sure of having \$75,000,000 secure for his borrowing the moment he gets a commercial production "go ahead."

A national syndicate of 17 banks has underwritten the revolving fund, as of June 1, 1944, with National City Bank of New York acting as manager for the group that includes banks in San Francisco, Los Angeles, Chicago, Tulsa, and Oklahoma City.

Unlike other large credits recently negotiated (BW-Feb. 26'44, p96), the Douglas arrangement involves no government guarantees. It is a revolving bank credit made directly with the company by the banks. Use of government advances, however, is retained by the company.

On \$6,000,000 already borrowed Douglas is paying 2 1/2% interest; on the unborrowed \$69,000,000, a commitment interest of \$345,000 yearly (4 1/2% a year).

What Douglas hopes to do with the money is undisclosed. Logically a heavy portion will be an investment in labor during the postwar transition.

TO ACCEPT SALARY RULING

Application of the New York Stock Exchange for permission to increase the yearly salary of Emil Schram, its president, from \$48,000 to \$55,000 was finally disallowed by the New York office of the Treasury Dept.'s Salary Stabilization Unit.

Both Schram and the exchange have announced, however, that they will ac-

Check the advantages of Pomona Pumps' VERTICAL design!

Pomona Pumps offer many vital advantages over conventional types—vital no matter what your pumping application—agricultural, industrial, mining, municipal, marine, or any other. For example, their modern vertical design makes possible much greater convenience, safety, and efficiency on all types of pumping jobs...

NO PRIMING—NO "DRY PITS". The ideal way to eliminate priming in any pump is to have the pump below the fluid level. Fluid then flows by gravity into the pump chamber, assuring positive feed at all times.

In horizontal pumps the motor is *alongside* the pump (see below). Therefore, placing the pump below fluid level means placing the motor below fluid level. Then, to keep the motor dry, a costly "dry pit" is constructed for the unit. Even then, flood waters can fill the pit, ruin the motor

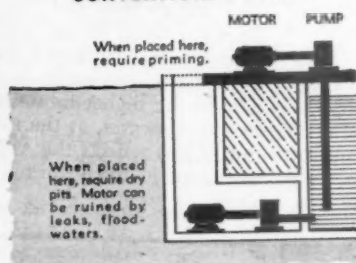
lead to increased pump investment, high maintenance, restricted service.

► In Pomona's the motor is *above*—not alongside—the pump. This means the pump can be *completely submerged* in the fluid where it is always primed... yet the motor is above fluid level, always dry, always convenient and no costly "dry pits" are needed. Thus, the Pomona vertical design combines the no-priming advantages of *sub-surface* pump position with the convenience and safety of *above-surface* motor location!

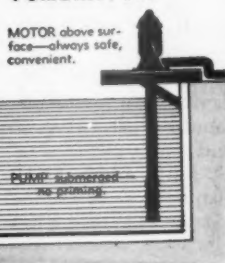
...and servicing is both complicated and inconvenient.

Or—to eliminate "dry pits"—horizontal pumps can be placed *above* fluid level. But then water no longer flows freely into the pump, so it must be primed whenever started, resulting in complications that

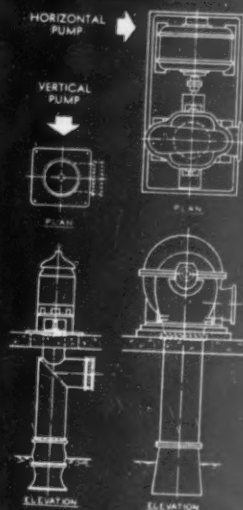
CONVENTIONAL PUMPS



POMONA PUMP



80% SAVING IN SPACE



The compact design of the Pomona Vertical Pump... requires less space... the Pomona requires 16 sq. ft. of floor space—the horizontal, 80 sq. ft.—a direct saving of 80%!

Note the simple compact lines of the Pomona compared with the other pump. And also note this... the Pomona has fewer parts to service, and weighs only half as much. That means extra savings in foundation costs to add to the savings in installation, maintenance and operation.

No matter what your water-moving application, get the full story on Pomona Pump advantages before you invest in any pumping equipment. Send for booklet containing much helpful information!

Pomona Pumps are one of the many types of mechanical, hydraulic and electrical power equipment produced by Hendy Diesel engines, Westco pumps, and Crocker-Wheeler electric motors and generators.

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DIVISION

cept the decision without appeal, and that Schram will continue at his present salary. When he was appointed in 1941 to a three-year term as the Big Board's first paid nonmember president, it was with the understanding that the compensation originally agreed upon would be subject to readjustment when his term ended on June 30, 1944.

The governors, more than pleased with the results of his administration, are negotiating another three-year contract with Schram, and it was in this connection that the salary application, which would have meant the equivalent of a 10% net raise, was filed with the Treasury.

Rank Wins Out

British movie magnate gets long-sought distribution rights in U. S. through deal with Loew's and Twentieth Century-Fox.

Resolution of the sharp conflict between British and American film interests appears to have been settled finally in England in deals between J. Arthur Rank, Britain's top film magnate, and Spyros Skouras, head of the Twentieth Century-Fox empire. How far the deal constitutes the first step in the establishment of a world film cartel remains to be determined, possibly by the Dept. of Justice.

• **Ambitious Plans**—Early this year Rank's emissary, Barrington Gain, flew to the United States ostensibly to "study American distribution methods" (BW—Feb. 19'44, p. 76). Gain then was known also to be interested in disposing of the very difficulty Skouras has eliminated, that is, the troublesome 49% nonvoting minority interest held indirectly by Twentieth Century and Loew's in Rank's own Gaumont-British Pictures, largest producer and theater operator in England.

But it was feared in Washington that Gain's whole deal contemplated wide understandings between British and American producers on division of the world film market and joint moving in on Axis areas as they are liberated. But negotiations, including the settlement of the American minority interest in Gaumont-British, fell through because of the unofficial but unequivocal attitude of the Antitrust Division, which indicated an emphatic "No."

• **Worldwide Markets**—Essence of what the British have to offer in any cartel setup is control of markets—by reason of their domination of a vast and populous empire. But the American producers always have had better films to

offer. Traditionally, in the face of this competition, the British have relied on domestic laws and preferential understandings throughout the Empire to back up their film offerings.

• **Details of the Deal**—What Rank has been seeking in the U. S. is access to the American market and American profits. And the deal worked out between Skouras and Rank contemplates a measurable withdrawal by Americans from their 49% in Gaumont-British, but an actual increase in their control, while Rank is being cut directly in on the American market through being permitted to have an American distributing subsidiary. The American companies would get production facilities in England.

Already Rank has arranged a nucleus for a U. S. distributing organization, Eagle-Lyon Films, Inc., which will be operated by Arthur W. Kelly, formerly supervisor of foreign distribution for United Artists. However, this company may not be expanded for some time, and from current indications Rank will be granted distribution in the U. S. for his British films through the Twentieth Century-Fox organization.

• **Enfranchisement**—The 49% stock interest was owned equally by Twentieth Century and Loew's (Metro-Goldwyn-Mayer). But this was nonvoting stock and was not direct ownership, but was through the British Metropolis & Bradford Trust, which in turn owned Gaumont-British.

The fact that the American companies were permitted no vote in Gaumont-British was a source of irritation and was resolved by the appointment of Larry Kent, executive assistant to Skouras, as a member of the new Gaumont-British theater operating com-

mittee, and the enfranchisement of American stockholders.

However, in the deal, Loew's agreed to sell its entire 24½%—two-thirds to Rank and one-third to Twentieth Century—for \$3,500,000, the price originally paid.

• **More Than Meets the Eye**—However one-sided this may look to the layman, it was hailed as a "coup" by the film press.

That there were unseen sections to the agreement was indicated strongly in simultaneous events in Hollywood. This time the man who came from England with an announced other purpose was John L. Beddington, director of the film division of the British Ministry of Information. He spent a day with Louis B. Mayer, and Mayer's foreign relations experts. He went from one studio to another. If there was a hidden part of the agreement, Beddington had ample opportunity to explain its size and shape to the Americans. And that there was some such thing was indicated when gossip Hollywood reported that Beddington, like Gain, had had a word with the Antitrust Division.

LIFE PAYMENTS RISE

Record life insurance death payments in the first quarter of 1944 rose to \$317,718,000, or 12% above such payments in the corresponding 1943 period and 24% higher than in 1942, according to figures released by the Institute of Life Insurance in New York City.

This rise, obviously, is attributed in part to the higher mortality of the war period. However, as the institute points out, it also reflects the 11% increase in insurance in force during the past two years.

FOR RUSSIA

In Moscow Eric Johnston, president of the U. S. Chamber of Commerce, confers with the Soviets on postwar trade; in New York's Wall Street (left) executives of financial concerns lend their support to Russian War Relief. Henry C. Alexander, a vice-president of J. P. Morgan & Co., takes his stand at the mike while Gale F. Johnston, Metropolitan Life Insurance Co. vice-president, Harold H. Helm, vice-president of the Chemical Bank & Trust Co., Allen Wardwell, corporation lawyer and Bank of New York director, and Soviet Consul General Eugene Kisselev await their chance to speak.



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WAR BUSINESS CHECKLIST

A digest of new federal rules and regulations affecting priorities and allocations, price control, and transportation.

Increased Civilian Supply

In a step taken to make fuel-saving devices available next winter, WPB has announced that controlled materials are available for production of **heating system controls** for use in some 950,000 residential, commercial, institutional, and industrial heating plants. . . . Local rationing boards may now issue ration certificates for coal and wood heating stoves to eligible applicants without regard to quota restrictions. OPA has ruled. . . . Through Amendment 141 to Ration Order 16, OPA has removed all rationing restrictions from **lard**, since the present supply is considered adequate for all civilian needs.

Relaxation of Priorities

WPB has promised that there will be no restriction on the use of **paper shipping sacks** required for shipment of essential products. . . . Restrictions on many types of **automotive maintenance equipment** (as specified armature growlers, battery chargers, brake relining machines, magneto rechargers, and many others) are considerably relaxed by WPB Order L-270, as amended, to meet demands for such equipment in rebuilding automotive vehicles, farm tractors, diesel, marine, and industrial engines. . . . Through amendment to Order M-221, WPB has removed quota restrictions on new burlap bags, in view of the improved burlap supply from India and the tight supply of cotton shipping sacks. . . . Zinc may be used for galvanizing purposes in the manufacture of hand trucks, pallets, and platforms as a result of an amendment to WPB Order L-111. . . . Low-grade "feed material" will be released for unrestricted or partially restricted use in the manufacture of subgrade **aluminum pigment**, WPB has announced. . . . The Office of Rubber Director has exempted two more types of **balata** (nonelastic type of tree-gum) from allocation control through Amendment 3, WPB Rubber Order R-1; released grades are coquirana and chicken-wire. . . . Under directives relating to Orders M-62, M-163, M-164, M-165, WPB has set up **small-order exemptions** for urea, industrial ammonium sulfate, nitric acid, and ammonium nitrate, and has eliminated reporting requirements for sodium cyanide and potassium nitrate.

Power Trucks

To enable manufacturers of industrial power trucks to meet future demands and to look forward to conversion days, WPB has granted them permission to produce a limited number of experimental models of these trucks. Restrictions on the number of types of trucks allowed to each manufacturer have hitherto prevented them from making such models. Experimental models

may be made if the manufacturer can do so without acquiring additional facilities which are capital additions, and if materials or labor would not be diverted from essential production. (Order L-112, as amended.)

Anthracite

Prices for Pennsylvania anthracite have been reduced by OPA 14¢ a ton below current prices at the mine, as authorized by Fred M. Vinson, Director of Economic Stabilization, in connection with his approval of the anthracite wage agreement (BW-June 3'44, p7). The action took effect June 1, but dealers were given ten days' grace—till June 10—to give them a chance to sell the bulk of their coal at the higher levels existing before June 1.

Paper Cups and Food Containers

WPB has brought all types of flat-bottom and conc-shaped paper cups and all flat-bottom paper food containers of the round, nested kind under new controls. Production of hot-drink cups and flat-bottom cold-drink cups must be kept at the highest monthly level reached during 1943 and the first quarter of 1944. Manufacturers of the controlled items are limited, during the second quarter of this year, to their paper consumption, in tons, during the last quar-



LAMPLIGHTER'S CARRYALL

On a tricycle built for two, Bureau of Reclamation electricians easily replace the 400 light bulbs that burn out each week in the 8½ miles of tall galleries within mammoth Grand Coulee Dam in the state of Washington.

of 1943. Certain percentages of the hot-drink and flat-bottom cold-drink cups must be set aside each month for the men in the armed forces; the rest will be available under MRO for in-plant feeding (for business organizations, as well as for war plants). Commercial users of the hot cups are held to 80% of their average monthly consumption during the first quarter of this year. Retail sale of all controlled items is prohibited. (Order L-336.)

Paper

In certain hardship cases, manufacturers of paper napkins and facial tissue may apply to OPA for higher ceiling prices, when their product is required to meet an essential military or civilian need, or when loss of their production would force customers to take higher-priced items as substitutes. The increase would be passed on to the purchaser, except that retailers are held to their highest March, 1942, prices, despite any increase in cost to them. (Amendment 25, Supplementary Regulation 15.)

Under similar conditions, manufacturers of book paper, writing paper, and certain other fine papers may obtain an increase in their ceiling prices. These increases also are to be passed on, except by retailers. (Amendment 3, Regulation 451, for book paper; Amendment 2, Regulation 450, for writing and other fine paper.)

Shipping Containers

As a result of tighter controls over shipping containers, most domestic items will be limited by quota in their use of new solid-fiber and corrugated shipping cartons. Products for which no quota limitations are set are certain industrial goods closely linked with war production, military components in domestic transit, drugs, medicine, and specified foods (including poultry, eggs, fishery and dairy products, processed seasonal fruits and vegetables). New quotas run generally at 70% of 1942 use, but in the case of cushions, plants, games, mirrors, and other specified commodities, they are as low as 50% of 1942 use. In the main, quotas already established are maintained by the amended order. (L-317, as amended.)

WPB emphasizes that restrictions on new fiberboard shipping containers apply to V-boxes as well as to containers for civilian use. (Order L-317, Interpretation 2.)

Producers and shippers of all unrestricted items are warned that, if they do not effect voluntarily a saving of at least 15% in their fiber container use, they will face restrictions similar to those placed on controlled items.

Steel Drums

Under a simplified and clarified procedure, specific WPB authorization is no longer needed for each order of steel drums; a blanket certification filed with the drum manufacturer by the customer will be enough. Schedule A of the steel drum order has been amended to allow all packers of items in the schedule to use new steel drums up to 95%, by weight, of the new drums used for the same commodity in the

WHEN YOU'RE APPALLED by a full calendar plus a deskful

of paperwork



and at last you settle

down behind your new Electronic "Mike"



and just

start talking your work away . . . and your secretary

is protecting you from all but important telephone

calls



and when one of them comes through

you record both ends of it



and

that deskful melts away like an ice cube on a hot

Summer day



and you know that mistakes and alibis

are eliminated, because all your instructions and de-

cisions are on record . . . Eureka! Mr. Vice President

. . . that's

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No one plastic can honestly be offered as a solution to all problems. In the family of Monsanto Plastics, for example, there are six broad, basic types and several hundred standard compounds, each with different properties, each designed for different uses.

When you have a set of blueprints to translate into finished products, finding the one best material from that wide array can be a headache—or a sure and simple process.



The secret is to put *two* experts to work on the problem—and to get them together as early in the development of your product as you can. First and most important of the two is you.



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What service conditions will the product meet?

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The broad and versatile family of Monsanto Plastics includes: Lustron polystyrenes • Monsanto vinyl acetals • Nitron cellulose nitrates • Fibestos cellulose acetates • Resinox phenolic compounds • Resimene melamine compounds. Forms in which they are supplied include: Sheets • Rods • Tubes • Molding Compounds • Castings • Industrial Resins • Coating Compounds • Vespak Rigid, Transparent Packaging Materials.

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To get in touch with a Monsanto Plastics consultant, write: MONSANTO CHEMICAL COMPANY, Plastics Division, Springfield 2, Mass.



corresponding quarter of 1945. This list includes a wide variety of chemicals, a number of food oils and greases, petroleum products, and others. Paints, synthetic resins, varnish, lubricating greases, which in 1944 were packed in fiber drums, may now be packed in steel drums, on a quota basis. Schedule B of the order has been clarified to show commodities for which no new steel drums, or, in some cases, no steel drums at all, are available. Packers' unused quarterly quotas may be carried over to the next quarter, but only for use in shipping the same commodity. In emergencies, up to 25% of the next quarter's quota may be borrowed for immediate use. (Order L-197, as amended.)

Railroad Cars

To permit railroad operators to place advance orders for certain items of car materials, WPB has amended Order P-142 by issuing Direction 3. Operators may order, for delivery during each of the three calendar quarters following the quarter in which the order was placed, 75% of their authorized order for the first quarter of 1944. This provision applies to specified air brakes, hand brakes, brake beams, couplers and coupler bodies, and bolster springs. For all items except power hand brakes, an operator may use the same preference ratings for advance orders as he used for the first order; for power hand brakes, he may use only a rating of AA-3 for advance orders. Only railroad operators under Order P-142 are covered by this action.

Utilities

Certain public utilities may operate under the same blanket construction allotment procedure that has applied to industrial construction and some types of military construction. Electric power, gas (manufactured and natural), water, central steam heat, telephone, and telegraph utilities may carry on construction authorized on Form WPB-2774 with materials obtained by allotment symbol U-2 and the preference rating which is assigned on the form. Suppliers may pass on this symbol and rating to get materials needed to fill orders for the construction. (Direction 4, CMP Regulation 6.)

Packaged Vegetables

Regional offices of OPA may increase packers' ceiling prices for ready-to-cook packaged vegetables to provide for increases in costs of raw materials. This amendment applies to spinach in packages of 5 lb. or less, and other vegetables in packages of 1 lb. or less. (Amendment 29, Regulation 426.)

Export Sales

Sales to a so-called agent of a foreign buyer are no longer to be considered as export sales, eligible for an export premium, even when the sales are made to an agent in the United States who takes title in behalf of a foreign principal. This OPA ruling has been made to prevent export merchants from taking on fictitious roles of

Tom*

LOOKED AHEAD...

Reading time: 1 Minute, 35 Seconds

WHEN TOM was barely eleven, his family migrated from Wisconsin to the far Northwest. He spent a normal boyhood. Then high-school studies were interrupted when his widowed mother needed Tom's effort and financial help to raise five children.

Further education came later through night courses and business college . . . as thousands of American youths have gotten theirs. In his determination to "go places," and while still a young man, Tom proved himself a successful salesman and sales manager in an industry wholly unrelated to automobiles.

But looking ahead toward the close of World War I, Tom decided that automobiles promised a bright future. It meant giving up the successful position he had attained and starting afresh . . . but Tom was free to make the choice.

All he asked was the chance to progress as far as his beliefs, desires and industriousness could take him. He got it . . . as a salesman with a progressive local automobile dealer.

The story from this point parallels that of thousands of American business men who have flourished under *competitive enterprise*. Tom widened his acquaintance

. . . made solid friends . . . became a person of standing through nine busy years in the community he had known since boyhood.

In 1926, he started for himself in a modest way, counting on the friends he had made and served for patronage. Three years later Tom joined the De Soto dealer organization.

A busy decade built his business to the point where it became one of the largest in the state. His organization numbered 125 people, all thriving through his initiative and sound business policies.

Ask Tom his plans today. He'll tell you that he feels the same as he did a quarter century ago . . . that after the war the automobile industry should continue to offer splendid opportunities for men of energy and integrity. And, as in all undertakings, the measure of success attained should rightly be in proportion to one's ambition and ability.

* The name is fictitious. The facts are TRUE. This is a faithful sketch of the business life of an automobile dealer who has been associated with Chrysler Corporation for 15 years.

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Chrysler Corporation

PLYMOUTH • DODGE • DE SOTO • CHRYSLER • DODGE Job-Rated TRUCKS

JOIN THE ATTACK—BUY MORE WAR BONDS

Lavelle
MANUFACTURERS OF
AIRPLANE PARTS

Specializing in aircraft fabrication—tail surfaces, junction boxes, small tanks, welded steel structures held to very close tolerance, aluminum alloy structures, stainless steel products, also special radio parts.

Offering Manufacturing Facilities For Post-War Production

AAF GRADE A1 INSPECTION RATING

LAVELLE AIRCRAFT CORP.
NEWTOWN, Bucks County, PENNA.

WELSBACH
ENGINEERING and MANAGEMENT CORPORATION

1500 WALNUT ST., PHILADELPHIA 2

All phases of GAS and ELECTRIC UTILITY MANAGEMENT, CONSTRUCTION and APPRAISAL

How You Can Get More Men and Women Workers!

If you need more help than you have been able to secure through ordinary channels, here's a plan that will help.

It's **TESTED**—companies such as Mills Industries, The Visking Corporation, Forest City Foundries, U. S. Gypsum, and many others are using it successfully.

It's **SIMPLE**—possibly much more so than your present plan.

It's **INEXPENSIVE**, and there's no guesswork. Your cost depends on the number of new employees the plan procures.

New and unique, this plan taps new sources of workers, not reached by ordinary methods. Yet it is based on the same principles which have proved successful in our 12 years of working with nationally-known manufacturers.

Write on your company letterhead for the portfolio "Recruiting Workers through the 'Help Get Help' Plan." It gives full details. It's **FREE**. And there's no obligation.

Send for this **Free** portfolio **TODAY!**

RECRUITING WORKERS through the 'Help Get Help' PLAN

BELNAP and THOMPSON, Inc.
Room 700, 309 West Jackson Blvd.
Chicago 5, Illinois

agents while continuing to act as exporters—a practice, OPA says, to which some merchants have been forced by manufacturers who do not themselves have export trade facilities, and which has resulted in higher prices to foreign customers and diversion of scarce materials to foreign countries. Manufacturers or other legitimate exporters are still allowed an export premium when they really sell to a foreign buyer, even though the sale may be made through the buyer's purchasing agent. (Amendment 7, 2nd Revised Maximum Export Price Regulation.)

Maintenance and Repairs

Where materials and equipment for minor capital additions (up to \$500) are obtained under MRO procedure, labor costs

involved in making the materials must be included in figuring the cost of an addition; labor costs for construction or installation need not be included. (CMP Regulation 5, Interpretation 11, as amended.)

The same ruling applies to minor capital additions by government agencies and institutions, which are allowed up to \$100 worth of materials under MRO procedure, excluding labor costs of manufacturing the materials or equipment. (CMP Regulation 5A, Interpretation 7.)

Fuel Oil

To conserve critically short supplies of kerosene, OPA has established a new system for figuring next season's rations of fuel oil for heating stoves. Rationing boards, in computing the ration, may issue supplies

ARMY

E

NAVY

PRODUCTION FLAG WINNERS

Air Reduction Co., Inc., Ohio
Chemical & Mfg. Co.
Minneapolis, Minn.
American Machinery Corp.
Beresford, Fla.
American Red Cross
(Two blood donor centers)
Andersen Corp.
Bayport, Minn.
Associated Spring Corp.,
The Wallace Barnes Co.
Forestville, Conn.
G. Barr & Co.
Chicago, Ill.
Beach Mfg. Co.
Montrose, Pa.
Bechtel - McCone - Parsons
Corp., Birmingham Modification Center
Birmingham, Ala.
Bemis Bros. Bag Co.
East Pepperell, Mass.
Burgess Battery Co.
Freeport, Ill.
Burnham Boiler Corp.
Zanesville, Ohio
Claude Neon Lights, Inc.
Union Aircraft Products Corp.
New York, N. Y.
Coleman Lamp & Stove Co.
Wichita, Kan.
E. D. Etnyre
Oregon, Ill.
Electric Machinery Mfg. Co.
Minneapolis, Minn.
Ford Motor Co.
Iron Mountain, Mich.

General Electric Co.
Syracuse, N. Y.
General Motors Corp.
Detroit, Mich.
Goose Lake Box Co.
Lakeview, Ore.
Hercules Powder Co.
Baraboo, Wis.
Hubbard Spool Co.
Chicago, Ill.
Insuline Corp. of America
Long Island City, N. Y.
International Harvester Co.
Chicago, Ill.
Johnson & Johnson, Industrial Tape Corp.
New Brunswick, N. J.
Kimberly-Clark Corp.
Neenah, Wis.
Kold-Hold Mfg. Co.
Lansing, Mich.
The Lea Mfg. Co.
Waterbury, Conn.
Lofstrand Co.
Silver Spring, Md.
Lux Clock Mfg. Co.
Waterbury, Conn.
Marshall Stove Co.
Lewisburg, Tenn.
The Mathieson Alkali Works, Inc.
Saltville, Va.
Monarch Engineering Corp.
Indianapolis, Ind.
The Murray Co.
Dallas, Texas

Owens-Illinois Can Co.
McKees Rocks, Pa.
Pittsburgh Coke & Iron Co.
Carnegie, Pa.
Powers Regulator Co.
Chicago, Ill.
Rocky Mountain Arsenal,
Chemical Warfare Service
Denver, Colo.
Sheldon Machine Co., Inc.
Chicago, Ill.
Shell Oil Co., Inc.
Wilmington, Calif.
Sports Products, Inc.
Cincinnati, Ohio
The Springfield Woolen Mills Co.
Springfield, Tenn.
The Standard Stoker Co., Inc.
Eric, Pa.
The Studebaker Corp., Studebaker Pacific Corp.
Los Angeles, Calif.
United States Rubber Co.
(Two plants)
United Steel Fabricators, Inc.
Wooster, Ohio
The Weldon Tool Co.
Cleveland, Ohio
Wilmot Castle Co.
Rochester, N. Y.
Wolverine Brass Works
Grand Rapids, Mich.
York-ShIPLEY, Inc., York Oil Burner Co.
York, Pa.

(Names of winners of the Army-Navy and Maritime Commission awards for excellence in production announced prior to this new list will be found in previous issues of Business Week.)

PUTTING THE "MIKE" ON THE 4TH DIMENSION

The 4th dimension is TIME. It can be measured just as accurately as length, breadth, diameter or thickness. And it is just as important an element in the cost of anything that is made—for Time is money.

In manufacturing practice today, Time is the ONE cost factor that is within the control of the individual manufacturer.

Wages and material costs are likely to be subject to industry-wide or even nation-wide controls and practices.

But what the individual worker does with his hours, minutes and seconds depends largely on the technique he follows and the tools he has to work with.

Acme-Gridley Automatics—Bar and Chucking—help to control, and to reduce, the size of the 4th dimension. They guarantee to produce *more* in a given time.

Result—they are the great cost-reducers.

★ ★ ★

National Acme offers to owners of automatic machines a new service—the retooling or reconditioning of Acme-Gridley Automatics—in the plant where they were built, and by the men who built them. This service is not too costly. It guarantees you the exact original production capacity of a new machine of the same model.

If you have automatics that will need retooling or reconditioning, write us about them.



ACME-GRIDLEY AUTOMATICS
maintain accuracy at the
highest spindle speeds
and fastest feeds modern
cutting tools can withstand.

The NATIONAL ACME *Company*
CLEVELAND • OHIO



Have you ever tried to saw a slot in a piece of slate? Slate manufacturers do it every day—slots, notches and angled corners. Recently a great deal of slate has been used for blackboards at air bases and for shower stalls in Army and Navy training camps.

Because much of the slate cutting is not on a mass production scale, it must be done by hand. It takes a mighty good hack saw blade to do the job. Disston was the first to develop a blade which would cut this highly abrasive material successfully in thicknesses from $\frac{1}{4}$ inch up to 4 inches.

Time after time, it's Disston skill and Disston steel that finally solves the toughest cutting problems. Whether it's a special knife for cutting sugar beets or a special file for the blades of a giant turbine, the ingenious engineers of Disston find the answer.

It's this kind of knowledge, experience and skill with steel that makes Disston standard

tools superior. Does *your* problem involve hack saw blades, or files—circular saws or band saws—wood-cutting or metal-cutting—or the sawing of some odd material like slate or synthetics? You'll do well to discuss it with Disston. Write to Henry Disston & Sons, Inc., 628 Tacony, Philadelphia 35, Pa., U.S.A.



below the ceilings according to the minimum needs in each case. (Amendment 9 Revised Ration Order 11.)

Other Price Actions

OPA has announced increases in the ceiling prices of **corn sirups** and crude sugar to insure capacity output in the face of the corn shortage (Amendment 139, Revised Supplementary Regulation 14). . . . Specific dollar-and-cents prices have been set by OPA at all levels for hominy feed, corn bran, corn germ cake, and corn germ meal through Amendment 10, Regulation 305, and Amendment 3, Regulation 401. . . . To help small manufacturers of felt-based floor covering whose prices are below the general level of the industry, OPA has provided a method by which these manufacturers may adjust their ceiling prices through Amendment 15, Order A-2, Regulation 188. . . . Ceiling prices on soft wheat bakery flour sold by millers in the eastern and central states, and on family flour in specified southern states are reduced by Amendment 3, OPA Regulation 296; the reduction in bakery flour prices will be offset by an increase in the subsidy paid to millers by Defense Supplies Corp. . . . Amendment 1, OPA Regulation 311 raises canners' ceiling prices for jumbo and large shrimp. . . . Domestic cured whole hogskins and pigskins sold by collectors and dealers have been given uniform dollar-and-cents ceiling prices by OPA Amendment 136, Revised Supplementary Regulation 14. . . . To restore production of fish flakes, which have not been canned for over a year, OPA has set dollar-and-cents ceilings for canners at levels above those of March, 1942 (Regulation 537).

Other Priority Actions

Copper precipitates may be accepted only by copper refiners, except when delivery is authorized by WPB (Order M-9, as amended). . . . While use of copper and copper-base alloy in plating reflectors and flat tableware, in lead plating, and in other products is now permitted by WPB Order M-9-c, as amended, the flatware industry has been warned that present restrictions on the use of stainless steel, nickel, and general restrictions on copper will probably continue in effect. . . . All authorizations for the use of phthalic anhydride resins have been revoked by WPB, and new restrictions have been placed on them by Direction 2, Order M-139. . . . As a result of Order M-17, as amended, specific WPB approval must be obtained for the use of pig iron as ship ballast. . . . A program for producing 25,000,000 lb. of Bradford and French spun worsted weaving yarns required by the armed forces has been announced by WPB; mills producing these yarns must operate so as to make available for rated orders not less than 50% of their output at the March, 1944, rate. . . . Beginning Aug. 1, all prescriptions for heavy cream must be approved by a local public health officer or by the secretary of a county medical society, according to War Food Order 1 E, Amendment 2, which includes cream substitutes among the products restricted by the order.

The glass that breaks over Germany...



YOU'VE seen pictures of long range fighter planes with their "belly tanks" that carry extra gasoline. But have you ever wondered how the pilot gets rid of those tanks when they're empty, to decrease weight and gain extra speed and maneuverability?

The big problem in dropping the tank is to sever a tight pipeline connection from tank to plane quickly and positively. This isn't easy with metal, but Corning now makes a fitting from glass tubing that does the trick. The minute the pilot releases the mechanical grips that carry the weight of the tank the glass tubing breaks cleanly and the tank falls free!

War and Corning research have put glass

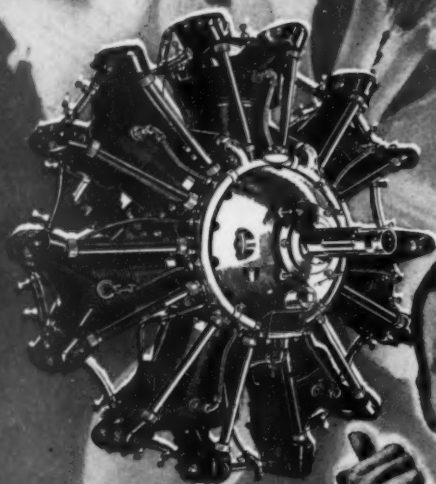
in a lot of strange places. For instance, there was a time when almost all piping in chemical plants was alloy of one kind or another. Now chemical people have discovered that glass piping is better for many purposes, and Corning has even developed a method for welding it into continuous lengths.

Many of the new uses to which Corning has put glass will persist after the war. For many users have discovered for the first time how really versatile glass is as a material. They are finding out that it has unexpected strengths. That it resists abrasive wear and corrosion. That it is so fatigue proof Corning has even made springs of coiled glass for certain conditions.

Perhaps after the war the intelligent application of glass can improve your product. Keep it in mind. If you have a war problem now that glass might help, write Corning Glass Works, Dept. 46-B, Corning, N. Y.

CORNING
—means—
Research in Glass

Buy more
War Bonds!



No orchid!

THIS JACOBS ENGINE is no war baby, hot-house developed at high speed, with cost no object.

It was born before aviation was Big Business, or even a business; developed in Depression years when the world was on the breadline.

It was built for pilots who bought their own, out of hard-earned charter hours, and prize money won by close shaving pylons and coming down alive.

It was a bread and butter job for busy ships that had no spares, no check stands, no ground crews . . . and owners who couldn't afford the luxury of shop time and frequent overhaul.

It had to be simple enough so when anything went wrong, an instruction book, a tool kit and a little bit of savvy could make it right, soon.

It had to be an orphan on upkeep, easy on gas and parts . . . and a hog for performance and payload. It still is!

WHEN the war came, the Jacobs was a sure thing in its power class . . . tested by years of hard use and hard

guys who had to know their stuff . . .

And the Jacobs engine was ripe for quantity production . . . ready for the tough job of toting twin-engine trainers that turn hot pilots into Big Operators.

JACOBS stand up under hard student handling, varied climates, diverse terrain . . . take more take-offs and full throttle time than engines in combat service . . . deliver more than 1,000 hours of service between major overhauls—performance three times the original prescription!

Jacobs engines were a good buy for the Air Forces—and the taxpayers. And when the war is over, these engines will not be so much matériel for the junk pile, but peacetime power plants fit for service at peacetime costs.

Jacobs had a lot to offer for the war effort. And Jacobs will have even more to offer in worry-free, dependable delivery of packaged power at low cost for the postwar period . . . for both aviation and industry. Inquiries are invited, now . . . Jacobs Aircraft Engine Company, Pottstown, Pennsylvania.



JACOBS • Pottstown, Pa.

PRODUCTION

Cereals in Discs

Army field rations now include compressed breakfast foods. Aim is to provide more variety in soldiers' diets.

Fans who admire the fabulous feats of Wheaties-eaters in the cartoon advertisements of General Mills, Inc., probably won't be surprised to learn that last week the Army introduced Wheaties—among other well-known cereals—into field rations.

• **Gives Variety**—The Quartermaster Corps' real reason for adding cereals was not merely to add calories but also to provide variety in soldiers' diets. Ration C feeds one man one day in combat areas.

For each meal a soldier consumes two units—one a 12-oz. can of meat components, and the other a package containing candy, cigarettes, soluble beverages, and, formerly, five energy biscuits. Now a 2-oz. disc of precooked, compressed cereal takes the place of one biscuit.

• **A Familiar Flavor**—Four types of cereals are used as a base in the cereal disc: Wheaties, made by General Mills; Oaties, by Quaker Oats Co.; Grape Nuts Combine D (about 50-50 with Corn Flakes) by General Foods Corp.; and Wheat Flakes combined with Puffed Wheat, by Pillsbury Flour Mills Co. (A fifth type of precooked cereal, not compressed, is made with a Shredded Wheat base by Quaker Oats Co., and is used in the ten-in-one ration—a 45-lb. package containing one day's food for ten men.)

Two advantages are claimed for using well-known commercial breakfast foods as the base in the cereal disc: Soldiers recognize a familiar flavor from their civilian days, and manufacturers supplying the ration can use existing production facilities.

• **Saves Space**—As developed under the direction of Lt. R. R. Mickus of the Subsistence & Research Laboratory of the Quartermaster Corps, and in collaboration with cereal manufacturers, the cereal disc contains sugar, salt, vegetable shortening, and milk solids (defatted to improve keeping qualities). Compression into a disc 11/16 in. thick and 2 1/2 in. in diameter is primarily to hold the disc shape, but it also results in a 35% saving in packing space.

The disc has a sweet, pleasant taste, and is eaten like a biscuit, or crumbled

POST-WAR PROBLEM

THAT DEMANDS YOUR ATTENTION TODAY!



HOW HIGH CAN A TRUCK JUMP?

Not high enough to clear barriers like: conflicting weight laws in adjacent states...length and height laws that block whole sections of U. S. highways...multiple taxes, horsepower fees, mileage taxes...thousands of useless forms and regulations.

Production Goes Down, Prices Go Up, Material and Manpower are Wasted Every Time Trucks are Blocked by These Useless State Barriers

A FEW FACTS Every American Should Know

- 54,000 communities in the U. S. depend entirely upon highway transportation.
- Truck freight—even over long distances—often beats the U. S. Mail!
- Special truck taxes exceed 1 1/2 million dollars a day.
- In peace time, 1 out of every 10 paychecks comes from trucking.

YET SUCH LAWS STILL REMAIN ON MOST STATUTE BOOKS

ARMY AND NAVY heads saw that State barriers are a serious threat to the war effort. As a result, some of the hampering State laws have been suspended for the duration. But—ONLY for the duration. They're still on the books.

That can cause havoc after the war.

Remember, practically everything you eat, wear, or use comes to you all or part of the way by truck. What hampers trucks hurts you.

Somewhere along the line trucks transport 98% of all farm produce. Manufacturing, too, is literally geared to highway transportation. Interrupt trucking, and you upset America's entire economic structure.

Now is the time to end punitive restrictions once and for all . . . so that when peace comes there will be no breakdown in the nation's highway transportation system.

* * *

Send for new booklet, "Smash the Bottlenecks." Tells what you can do to help.

THE **AMERICAN TRUCKING** INDUSTRY
AMERICAN TRUCKING ASSOCIATION, WASHINGTON, D. C.



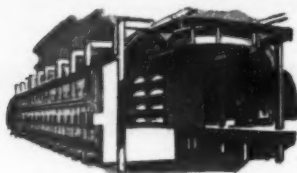
EVERY MILE FREIGHT TRUCKS ROLL BRINGS VICTORY CLOSER

HOW "LIGHTWEIGHTS" ARE *MUSCLED UP* TO FIGHTING STRENGTH!



WITH THE HELP OF *Air at Work...*

EVER WONDER how lightweight metals in a bomber engine stand up under the pounding of a 2,000 mile non-stop mission to Berlin? For aluminum and magnesium castings—the answer lies in a trip through the torrid zones of an automatic heat-treating oven. A fresh element of toughness is added—made possible for the first time in one continuous operation by *engineered air*. Here's the story of how "Air At Work" takes over for 18 hours and "muscles-up" a lightweight alloy to fighting strength...

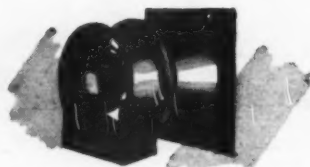


ALUMINUM cylinder heads fresh from the foundry are racked in open trays and routed through an oven where 16 powerful Sturtevant Axiflo Fans subject them to a whirlwind of 950°F. heat. For 10 hours, this precision-controlled inferno thoroughly saturates each head—virtually dissolving the alloying ingredients into the main body of the casting. Castings are then ready for another type of "Air At Work."



IN THE AIR QUENCH PROCESS, Axiflo Fans go into reverse! Heat is sucked out—and in two hours the cooling currents of engineered air, flowing evenly over every casting, lower their temperature to 500°F. stabilizing the jiggled molecules at the desired "mixture." The continuous conveyor now shuttles the castings along for the final heat-treating step—aging.

HERE, the Axiflo Fans again maintain uniform heat—steeping the castings at 500°F. for six hours to further control their crystalline structure and assure maximum, equalized tensile and yield strength. These Axiflo Fans that occupy a fraction of the space needed for other types... that greatly reduce both installation and initial fan costs... are a modification of a revolutionary design now going aboard U.S. Warships exclusively.



Wherever we hit Hitler or tackle Tojo, the lightweight metals are in there punching—thanks to plenty of "Air At Work"—8,000,000 cubic feet of engineered air to toughen a single aluminum cylinder head... 2,000,000 cubic feet to make each pound of lightweight magnesium pack a heavy-weight punch!

ANOTHER EXAMPLE of how "Air At Work" helps combine the operating economies of mass production with the manufacturing precision of automatic control. Sturtevant is ready to work with your planning committee NOW to put air to work to heat, dry, air condition, convey, ventilate, control dust and fumes or burn fuel more economically.

B. F. STURTEVANT COMPANY
Hyde Park Boston 36, Mass.



WILLOW RUN WINS

The problem child of aircraft production a year ago, Willow Run, has turned into a prodigal. After a long siege of growing pains through 1942 and 1943, the huge Ford-managed plant near Detroit rounded the corner late last year (BW—Jan. 1 '44, p80). Signs are now appearing that it has reached production maturity.

First was an announcement that May output was ahead of schedule to the point that a two-day holiday could be taken over Memorial Day.

Second was word that Willow Run soon would take over final assembly of B-24 bombers for which it formerly manufactured subassemblies to be put together at Tulsa and Fort Worth. These plants will produce B-29 Superfortresses.

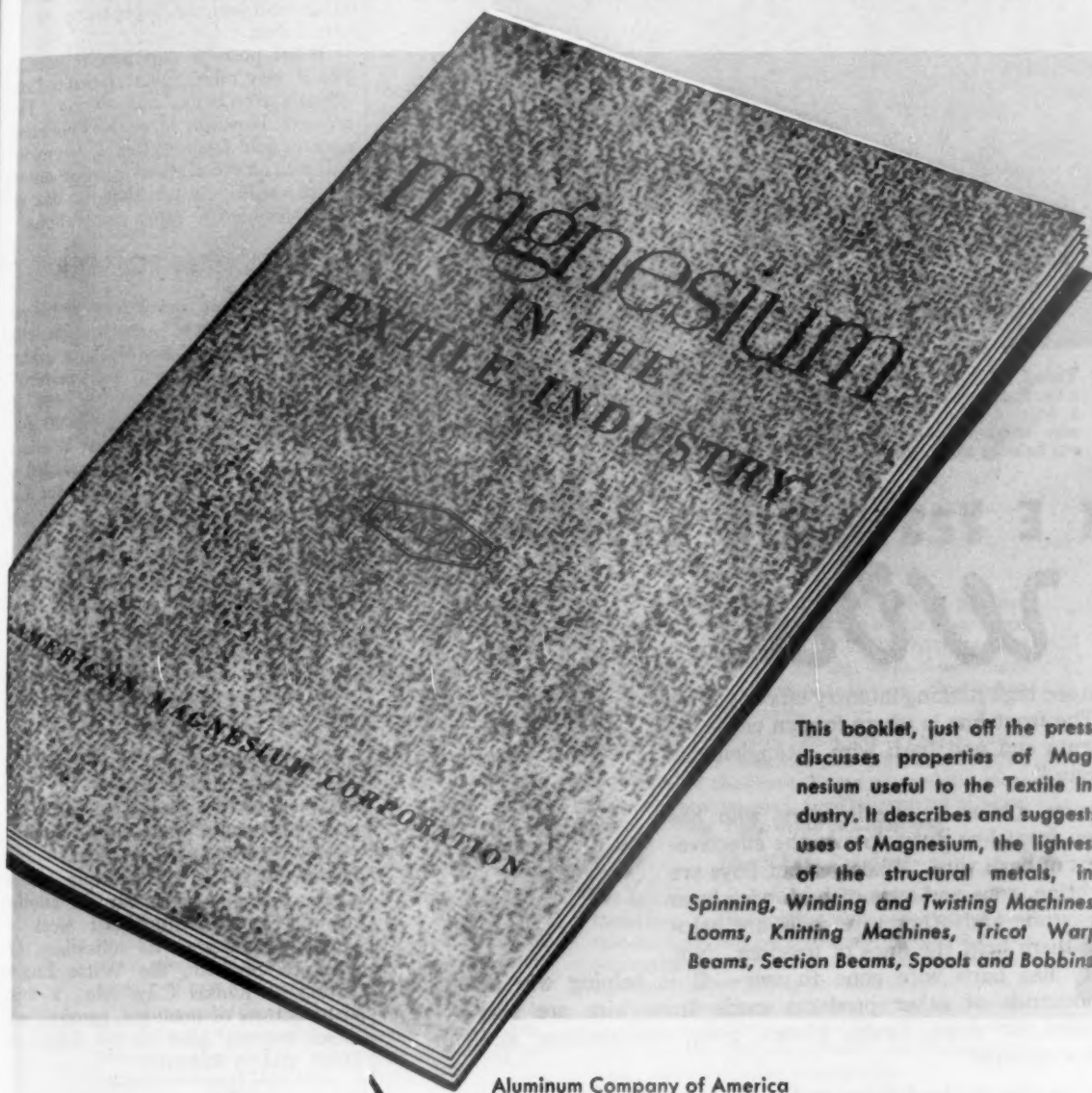
Output at the Willow Run plant has been estimated around 100 planes per week or so, counting both flyaways and disassembled jobs shipped for assembly. Elimination of the subassembly shipments is not expected to make much difference in this over-all total.

Nor will it make a difference in employment. The major share of the plant's payrolls, as in every fully integrated plant, was largely in the manufacturing departments, whose function or output totals will not change under the new setup. Manpower additions will be necessary on final assembly lines, of course, but these will probably do little more than balance the numbers formerly required to prepare the subassemblies for shipment.

into milk or water. A soldier in the field can't tell whether he will find Wheaties, Oaties, Grape Nuts and Corn Flakes, or Wheat Flakes and Puffed Wheat, until he opens the ration can. For production and packaging purposes, however, the color of the printing on the cellophane wrapper of the disc indicates the variety of cereal that he has found in his package.

• **Tile Company Gets Job**—At present, the only company compressing the discs is the Cambridge Tile Mfg. Co., Cincinnati. When wartime controls cut the demand for tile, Cambridge adapted its equipment first to compressing dehydrated soups, later found it equally suitable for compressing cereals. A second company, Doughboy Mills, Inc.,

Textile Machine Designers and Mill Men
will find this *new booklet* very helpful



This booklet, just off the press, discusses properties of Magnesium useful to the Textile Industry. It describes and suggests uses of Magnesium, the lightest of the structural metals, in: Spinning, Winding and Twisting Machines, Looms, Knitting Machines, Tricot Warp Beams, Section Beams, Spools and Bobbins.

*Mail this coupon
for your copy*

Aluminum Company of America
(Sales Agent for Mazlo Magnesium Products)
1716 Gulf Building, Pittsburgh 19, Penna.

Please send me "Magnesium in the Textile Industry."

Name _____ Title _____

Company _____

Address _____

City _____ State _____

AMERICAN MAGNESIUM CORPORATION

SUBSIDIARY OF ALUMINUM COMPANY OF AMERICA

BARB WIRE... Protecting Precious Lives and Materiel



These rolls of barb wire on a So. Pacific Island, guarded by a Marine, are being used for wire entanglements to protect our fighting front. *Marine Corps Photo*

KEYSTONE Wire

As one high ranking infantry officer puts it, "The front line is where foreign entanglements end and barb wire entanglements begin."

Every soldier in the infantry who has seen front line duty, knows the effectiveness of barb wire. Wherever our boys are fighting, tons and tons of barb wire from Keystone and other wire mills are helping them hold the lines of freedom. Not only has barb wire gone to war—it is helping win it! Thousands of other products made from wire are also needed for ships, tanks, planes, guns, ammunition, and other materiel.

But as soon as the fighting ends or Victory is definitely near, Keystone wire will again become available for civilian production.

KEYSTONE STEEL & WIRE CO.
PEORIA 7, ILLINOIS



Your
SCRAP METAL
is still vitally
needed!

New Richmond, Wis., soon will begin compressing the Ration C cereal discs. In awarding contracts for production, compression, and packaging, the Quartermaster Corps is careful to avoid back-hauls and needless shipping.

• **Tested in the Field**—Currently, intensive field tests are being made in this country to determine further the food value and soldier acceptance of the cereal disc.

What postwar commercial possibilities it may offer, Quartermaster Corps officials aren't inclined to say. They are sure, however, from previous experience in field feeding, that U. S. soldiers will welcome cereals in combat rations. It's reasonably certain that the disc will soon be added to other field rations.

MORE ROCKET POWDER

Production of rocket powder for propelling bazooka shells and similar lethal missiles of larger but still secret calibers against the enemy will be "materially increased the latter part of 1944" by the completion of a \$24,000,000 addition to the Badger Ordnance Works in Wisconsin, according to the guarded announcement of Hercules Powder Co., which operates the plant for the government.

The propellant, which differs chemically and in other unrevealed ways from the general run of gunpowder, hence requires different manufacturing techniques and equipment, is also being produced in accelerating quantities by the Hercules-managed Sunflower Ordnance Works in Kansas.

U.S.S. BUYS ENGINE WORKS

United States Steel Co., whose recent entry into prefabricated housing (BW—Apr. 29 '44, p19) continues to be a favorite topic of conversation among steel men, put its hands on another manufacturing venture last week. It purchased, through its subsidiary, Oil Well Supply Co., the Witte Engine Works of Kansas City, Mo., a small manufacturer of small gas, gasoline, and diesel engines used in oil fields, on farms, and by industry.

TO TEST AIR SHIPMENTS

The Great Atlantic & Pacific Tea Co. has joined Wayne University and United Air Lines in long-range, exhaustive experiments to determine postwar possibilities of shipping perishables by air. The tests will be a followup to the university's recent study of air cargo potentials in fresh fruits and vegetables (BW—Apr. 1 '44, p21).

United, linking West Coast growing areas with midwestern and eastern mar-



NEW YORK MEANS BUSINESS

Today, and for the years ahead, the door is open wide for productive enterprise in the Empire State—where diversified industry spells opportunity. For the businessman who prepares now, rich rewards lie ahead.

War Is Our Business Until Victory

New York has produced more than one-tenth of the nation's war goods—with only a small proportion of government plant construction. A large part of war products vary but little from accustomed peacetime output. For these reasons, problems of reconversion will be easier in this State.

In New York you have at your doorstep nearly one-third of the nation's retail sales. Within the State, you have more than a quarter of the country's wholesale trade. You have an abundant supply of raw and semi-processed material.

You operate in the only State touching both the Atlantic Ocean and the Great Lakes—with 900 miles of navigable waterways connecting its unmatched port facilities.

You are strategically located on a well-established transportation network that has paced the growth of the leading industrial State.

New York State's 5,000,000 workers produce more per dollar of wages. Labor and management agree here—with profit to both. Witness New York's strike record in the war—fewer man-hours lost due to strikes than any other industrial state in the Union.

When peace comes again, New York is ready to forge ahead. Whether you are located within or outside of the State, if you are making plans for business expansion, the Department of Commerce of New York State can help you.

Use These Services

We can assist you on plant locations; supply information on manpower and other significant factors; help you get a preview of taxes for your enterprise; give technical service on new materials and new products; help promote opportunities in foreign trade. These and many other services are available both through our offices throughout the State and through our contact with Chambers of Commerce and other local groups.

Just address M. P. Catherwood, Commissioner of Commerce, Albany 1, New York, and your request will receive immediate attention.



NEW YORK STATE

Department of Commerce



Double or Nothing!

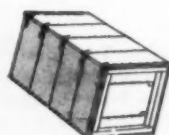
EVERY one of your containers has a double job to do. One is to get your products out of your plant. The other is to be sure that the buyer gets what he bought.

Shipment No. 1 is the product that you are proud to sell. The product that has taken many years to develop . . . years of constant improvement of design, materials, and workmanship. *Don't just put it in a box!*

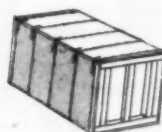
Shipment No. 2, in the same container, is the product that the buyer will receive. His need for it is often urgent, frequently critical. He will expect to receive your shipment in perfect condition. Breakage, even the smallest damage, can be vital to him. *Don't just put it in a box!*

General Engineered Shipping Containers are specifically designed to the product. They are designed to provide maximum protection. They are compact, streamlined to save space. They are light in weight to expedite handling and reduce shipping costs.

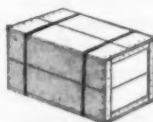
Get acquainted with the advantages of General Box Company's "Part of the Product" plan. Your postwar product and General Containers can come off the production line together . . . saving time, cutting down costly man-hours, adding to your production. Bring your container problems to General Box Company.



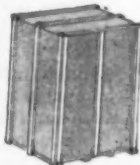
General All-Around Box



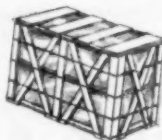
General Rock Fastener Box



General Nailed Box



General Cleated Fibreboard Container



General Wirebowed Crate

ENGINEERED SHIPPING CONTAINERS

General BOX COMPANY

GENERAL OFFICES: 502 No. Dearborn St., Chicago, Ill.

DISTRICT OFFICES AND PLANTS: Brooklyn, Cincinnati, Detroit, East St. Louis, Kansas City, Louisville, Milwaukee, New Orleans, Sheboygan, Winchendon.

Continental Box Company, Inc.: Houston, Dallas.

Send for new booklet, which illustrates General Box Company's "Part of the Product" plan. Write today.



kets, will carry shipments of a wide range of perishable foods to a panel of food experts at the Detroit university for twelve months. University researchers, A. & P. merchandisers, United States cargo experts, homemaking editors and consumers will judge the commodities. Tests for vitamin and sugar content, rate of deterioration, and weight loss will be conducted.

Three aims of the experiments: to explore the advantages claimed for the air shipment of perishables; to locate specific difficulties which must be overcome before such shipments can be put on a commercial basis; and to pave the way for general acceptance of change in marketing procedures.

COLOR-APTITUDE TEST

Four years of research and field work lie behind a speedy new color aptitude test developed by the Inter-Society Color Council and reported by Textile World, a McGraw-Hill publication, in its current issue.

Although the project was undertaken at the behest of a member of the acutely color-conscious textile industry, the test promises to do yeoman service in all sorts of industries—paint, porcelain enamel, automotive, and so on—where natural human ability to judge and match colors accurately is a vital factor.

The test, which must be completed in 30 minutes, consists of attempting to match one at a time each of 50 carefully preselected, standard color "chips" with the identical color on a random chart of the 50 colors; "attempting" is the word, for repeated retestings of the same persons indicate that no one can hope to raise and maintain his score beyond 90% or so.

Purpose of the test is not only to select new personnel with high color aptitude but also to retest old employees with a view to uncovering favorable or adverse changes in aptitude.

COTTON-SPINNING WOOL

Although textile mills now find a ready market for anything they can make, recent advances in spinning and weaving technology indicate the possibility of sharp price competition in clothing fabrics after the war.

Newman Cotton Mills, Inc., for example, has adapted the relatively low-cost cotton spinning system to production of all wool worsted goods. Riverside & Dan River Cotton Mills, among others, is selling a spun rayon worsted summer suiting that competes with the more conventional tropical worsted. The rayon worsted resembles all-wool worsted in feel and appearance.

NEW PRODUCTS

Versatile Bench Shear

Several years ago the O'Neil-Irwin Mfg. Co., Minneapolis 15, began to bring out a series of precision bench tools for the "die-less duplicating" of small, sheet-metal products and manufacturing components (BW—Nov. 2'40, p52). Newest in the series is the Di-



Arco Shear No. 3 which promises to cut, trim, slit, or notch not only metal in widths up to 12 in., but textiles, paper, and tissues as well.

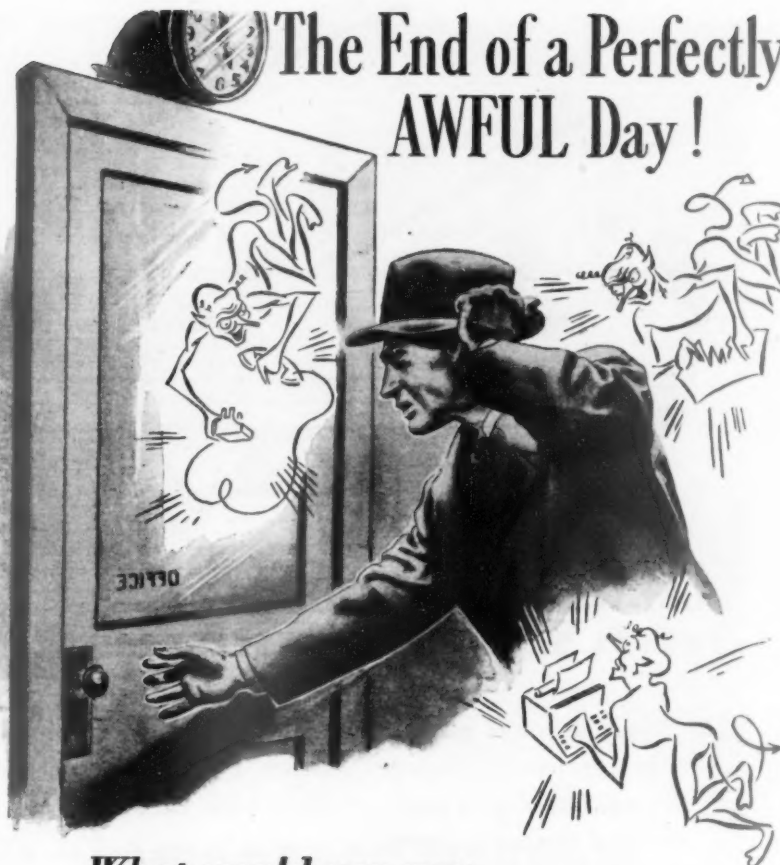
Underlying the versatility of the tool are precision adjustments for controlling the angularity of the cutting blades and for accurately stopping blade travel at any position desired. The first adjustment permits the handling of the wide variety of materials; the second controls precision notching as illustrated. An inbuilt gravity chute is said to "positively deliver all materials, fabrics, and tissues at any speed within the ability of the operator to feed the shear," allowing material that has been processed to be "automatically loaded into a receptacle without attention from the operator."

Retractable Tubing

Newest product of the Wiremold Co., Hartford 10, Conn., is Wiremold Retractable Tubing which is designed to provide portable duct connections for cold or heated air. It will come in five standard inside diameters from 4 in. to 12 in., but will be available on special order in other diameters. Lengths can range from 2 ft. to 50 ft. Fabrics used in its construction can be fairly lightweight cotton, synthetic rayon, heavy duck, or others. Made of lightweight material, a 15-ft. length of tubing can be stowed in a container 1 ft. thick.

Round cross-section of the tubing is maintained by four spirals of wire (or fewer in heavy materials) to each 1 ft. of length. Tubing ends can be varied to meet specific requirements, such as attachment to a particular type of blowing equipment or connecting lengths to

The End of a Perfectly AWFUL Day!



*What would you pay
to get rid of the noise demons?*

BUSINESS IS HECTIC ENOUGH these days, without having your energy and efficiency sapped by the noise demons. Their unceasing din is enough to send anyone home nervous . . . irritable . . . defeated. Yet it's easy to put an end to these trouble makers with a


ceiling of Armstrong's Cushiontone.

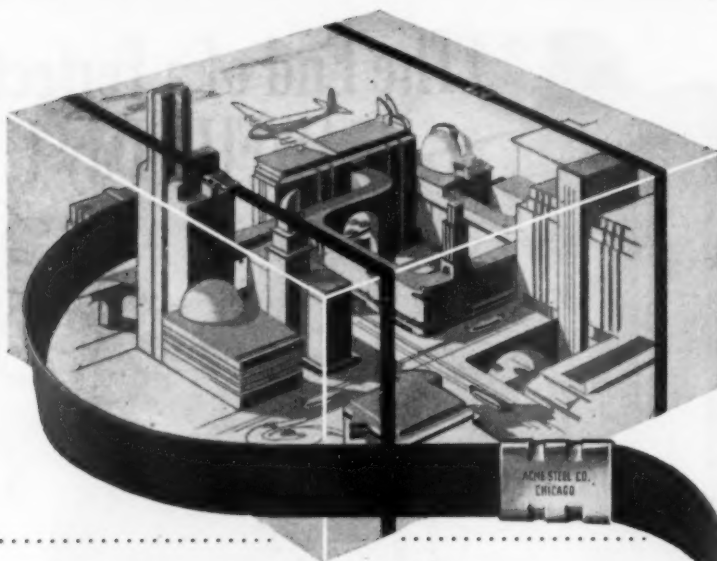
This economical material absorbs up to 75% of all noise striking its surface. Not even repainting affects its high efficiency. What's more, Cushiontone is light reflecting, attractive looking, quickly installed.

New Free Booklet gives the facts. Write for your copy and the name of your nearest Cushiontone contractor, to Armstrong Cork Company, 3006 Stevens Street, Lancaster, Penna.



**ARMSTRONG'S
CUSHIONTONE**

Made by the  makers of
Armstrong's Linoleum and Asphalt Tile



POST-WAR PROGRESS WILL TRAVEL SAFER WITH STEELSTRAP

The magazine you're reading . . . the chair you're sitting in . . . your clothes, your shoes . . . the food you eat . . . even cities are built from products that come in shipping packs. Raw products and finished goods travel over roads, rivers, rails, waves and airplanes . . . and arrive at destination.

How are these products protected? . . . Will they "deliver the goods" and get there intact? . . . That's where Acme enters the complicated picture of packing, shipping and load-

ing progress with shipping packs "Bound to Get There" with Acme Steelstrap.

Acme is planning for further contributions to improve packing and reinforcing methods to carry the burden . . . new ways to cut down the "waste-line" all along the shipping line . . . to protect products, to conserve packing materials, reduce weight and freight . . . above all, to protect the production of industry. *Post-War Progress Will Travel Safer with Steelstrap.*



DOC. STEELSTRAP is represented by Acme engineers—men whose business is the reinforcement of shipping packs—from single containers to car loads of freight.

Today, on every fighting front, there is evidence of Doc's skill—on cases, cartons and crates, on bales and on skid loads—on materiel and supplies from Army and Navy

depots, from arsenals and from war industry. Strap has a full-time war assignment, part of a job that Uncle Sam calls "pack it right to reach the fight." . . . It's the same job that we have always called making shipments "Bound to Get There."

When his war work is finished, Doc. will be ready to discuss the possibilities of steel strapping reinforcements for your post-war business.

ACME STEEL CO.
CHICAGO

ACME STEEL COMPANY

2828 ARCHER AVENUE, CHICAGO 8, ILLINOIS

one another. Indicated uses include cooling ship holds, preheating airplane engines, ventilating process tanks, conducting heat to temporary buildings, and so on.

Industrial Lubricators

Four new Alemite Centralized Lubricating Systems for light and heavy industrial use are in the schedule of the Stewart-Warner Corp., 1826 Diversy Parkway, Chicago: (1) the LubroMeter for delivering oil or grease to an unspecified number of machine bearings simultaneously through a single line which is serviced by hand- or power-operated portable type guns or by fully automatic equipment; (2) the Dual Progressive System for similarly supplying an unspecified number of bearings through a single line, but one at a time; (3) the Progressive System for supplying grease only, it being delivered to each of 3 to 20 bearings through 3 to 20 individual lines; (4) the Dual Manifold System for supplying grease or oil to an unlimited number of bearings in equip-

THINGS TO COME

Successful adaptation of aircraft engines to the power needs of military tanks suggests similar peacetime adaptations in other heavy-duty ground vehicles. One automotive engineer, who has thought a lot about it, believes that "commercial vehicle operators, seeking to transport the greatest payload over the most miles at the least cost, will appreciate the high volumetric efficiency and low operating costs of the aircraft engine, especially since postwar fuels probably will be more heavily taxed."

Quack grass, the pestiferous, virtually killproof weed with the cablelike underground root system, will take on unaccustomed respectability when it becomes more generally known that it makes good tough turf for airports and athletic fields, provides erosion control for river banks and railroad slopes, and holds down dust wherever planted from North Carolina to Alaska. Also called quick, quitch, scutch, twitch, or couch grass, it is not to be confused with crab grass, which has no known earthly use beyond providing exercise for amateur lawn makers. Quack grass seed is beginning to be commercially available.

include
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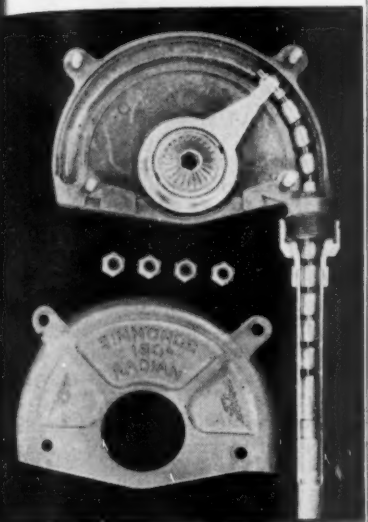
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ment exposed to especially heavy-duty or outdoor conditions.

Each of the systems provides bearings with predetermined amounts of lubricant under high pressure and signals the operator when the lubricating cycle is completed. Choice of a particular system is contingent upon (a) whether small, medium, or large machinery is involved and (b) whether it is desired to lubricate one machine at a time or whole batteries of them.

Motion Converter

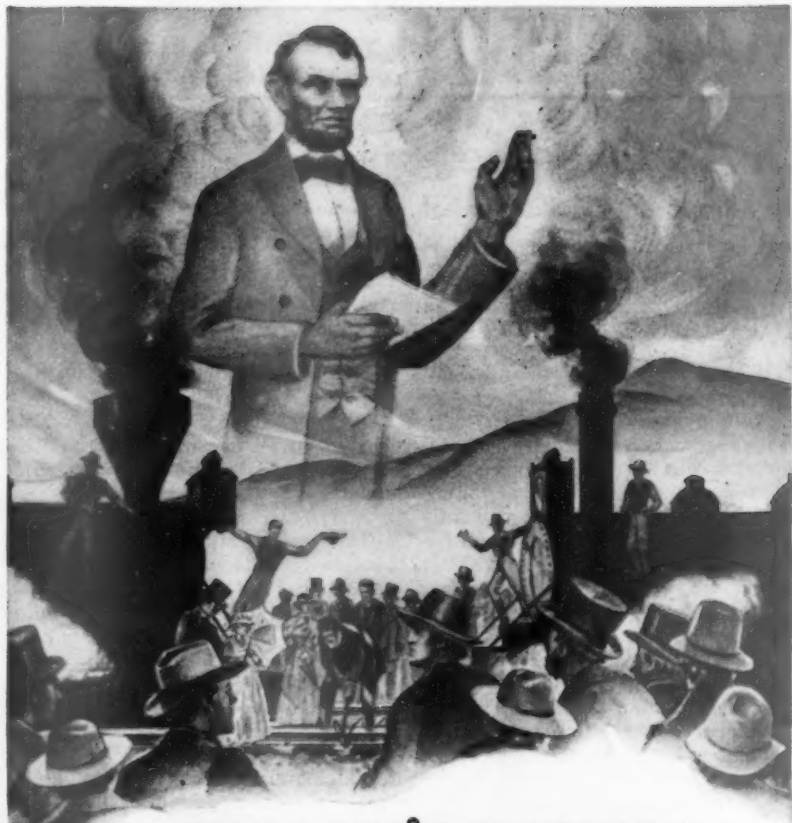
Purpose of the new "Radian Unit," developed by Simonds Aeroaccessories, Inc., 10 Rockefeller Pl., New York, is



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the conversion of the "linear motion of the linkage in a push-pull control into rotary motion." The little device, which weighs about 12 oz., is designed specifically to turn the shaft of an airplane supercharger control, a carburetor air control, or a propeller governor as required by military pilot. After the war, it is expected to find extended applications in the controls of automobiles, motorboats, radios, and industrial equipment.

When four nuts are unscrewed and the unit's housing is opened, the business parts are revealed consisting of a flexible, bead-like linkage and a rotating lever-arm. The housing provides a curved track for the linkage. When any push-pull control to which it is attached is actuated, the linkage follows its curved track, pushes or pulls the lever-arm, and through it turns the shaft. serrated teeth provide for precise adjustment between lever-arm and shaft. A special self-aligning bushing not only facilitates assembly and maintenance but corrects for end-play, offset, or other misalignment.



LINCOLN'S VISION is today's reality!

STEEL RAILS connecting coast with coast. Railroad trains speeding goods and people to and from the country's farthest outposts. That was the national development Abraham Lincoln, with sure vision, foresaw when he signed the Pacific Railway Bill, July 1, 1862. In 1869, four years after his death, the Golden Spike was driven in Utah which united the first transcontinental tracks. There, the fast, personalized shipping service initiated in New England in 1839 became a national reality by railroad.

Today, Railway Express is serving the country's shipping needs via 230,000 miles of railroads plus motor lines, waterways and the nation's commercial airlines. The goods now are mostly war materiel. In peace time they will again encompass every conceivable personal item as well as the products of industry and agriculture.

You can help us carry our share of America's war time shipping load and serve you better by doing two simple things: Pack your shipments securely . . . address them clearly. Our century of experience proves that "a shipment started right is half-way there!"

BUY MORE THAN BEFORE IN THE 5TH WAR LOAN



NATION-WIDE

RAIL-AIR SERVICE

MARKETING

OPA's Overture

Proposed modification of highest price line limitation is not soothing clothing retailers. Revision sets dollar margins.

OPA's latest gesture toward some modification of the famous highest price line limitation (BW—Jun. 3 '44, p5) was no more graciously received by the nation's low-priced clothing retailers than its predecessors (BW—May 6 '44, p88).

• **It Was Well Timed**—Store men flatly accuse the Office of Price Administration of four-flushing. They say OPA is trying to give Congress the impression that the retailers' grievances are being taken care of. Hence, OPA is saying, why should Congress bother with legislation to repeal MPR 330 which prohibits retailers from carrying price lines higher than those sold in March, 1942?

Thus retailers point to the fact that OPA's release—merely a preview of the official amendment promised to MPR 330—was timed to reassure members of the House Banking & Currency Committee meeting in closed session last week to discuss renewal of the Emergency Price Control Act.

• **What OPA Suggests**—OPA has proposed these modifications for the forthcoming amendment:

(1) Any merchant who because of MPR 330 has had a decrease in his aggregate dollar volume of sales of all garments covered by the highest price line limitation during the first five months of this year compared with the first five months of 1942 may apply in his own OPA district office for a relaxation of the limitation.

(2) Retailers will be permitted to handle higher price lines on more than 30 items—up to a certain level—regardless of the top price line in the base period. Thus stores may carry coats and suits up to \$25, cotton dresses up to \$3, other than cotton up to \$7, and children's dresses up to \$3 (cotton) and \$4 (other than cotton). Exemptions under a previous amendment gave relief only up to \$17 coats, \$2 cotton dresses, \$5 rayon dresses, \$2 and \$3 children's dresses. Comparable increases are allowed for all types of women's and children's clothing.

(3) OPA will establish ceiling prices for these new permissible lines, by adding to the cost the dollar margin which the retailer received on his highest

price line sold during the base period. This is the first time that OPA has specified dollar margins.

• **Volume Maintained**—Significantly, retailer complaints skip the first point of OPA's proposal. Variety chains know that despite the disappearance of low-end goods their total sales volume on these lines has not fallen off. For, as one observer put it, "retailers can always find something to sell; it's the consumer who is left out in the cold." And small retailers with poor records who might be operating on a reduced volume would have a hard time proving it.

As for the second and third modifications, raising the price line levels exempt from the highest price line limitation, the retailers complain about the restriction of dollar margins to those realized on the highest price line in the base period. Thus, if a store's margin was 30¢ on a \$1 dress in March, 1942, it may not be more than 30¢ on a \$3 or a \$5 or \$7 dress under the new amendment.

• **Tough on Chains**—Retailers argue that if they take on any of these new lines, they will have to carry them at a loss. Some chain stores which are allowed to carry \$2.98 dresses under present regulations in some of their

outlets, but not in others, may now add these lines in other stores, but at lower prices.

Historically, chains have not carried exactly the same goods, or the same price lines, in all of their stores, usually tailoring the type and price of goods to the community in which each store is located. Hence the highest price line limitation caught them with a variety of highest price lines in different stores. These have had to be maintained under MPR 330. Under the new margin rule, the problems of these discrepancies will be compounded.

• **An Example**—For instance, the W. T. Grant Co., which can now sell \$2.98 dresses in about half of its stores, will be able under the new amendment to add this line in those stores previously forbidden to carry it. But this line will be under a ceiling of \$2.32 in one group of stores, \$2.34 in another group, and \$2.55 in still another.

These prices are based on cost plus the average dollar margins obtained by various stores during the base period on sales of \$1.29, \$1.59, and \$1.98 price lines respectively.

Grant points out that such dresses would have to be carried at a loss in all of its stores except those which now carry them and can sell at \$2.98; that profit before taxes is 5.8¢ when the dress is sold for \$2.98, and net is only 2.1¢ per dress.

• **Other Problems**—A similar situation will prevail in every item of women's

Now! Rubber Boats—Macy's!



The same kind of collapsible boats the U. S. Navy uses!

These inflated rubber boats were made for the United States Navy. We were able to get them only because they fell slightly short of the Navy's exacting specifications. These imperfections do not impair their performance, serviceability or safety in any way. Use them as swimming floats, or river boats. Folds for children's camps, fishing, or duck hunting. The smaller sizes are easy to blow up with a hand pump, light enough to carry under one arm, easy to take inflated on the top of a car. Each boat is fully equipped with pump, ropes, and pair of oars. Come to see us for yourself what versatile boats they are! You certainly got a lot for your money at these low-but-catchy prices. Sports Center, 5th Floor.

2-man size (shown).....\$29.95

1-man size.....\$19.95 3-man size.....\$39.95

Only 15 down on Macy's Cash-Term Plan, balance to pay, plus service charge.

REJECTS ACCEPTED

Those tiny collapsible lifeboats carried aboard planes and ships apparently are as inspiring to water enthusiasts as jeeps are to motorists. That was indicated this week when Macy's

offered—via newspaper ads—a fleet of rafts rejected by the Navy because of minor defects. About 100 boats stocked in the New York store were sold the first day—giving an idea of what may happen when more popular military items hit civilian markets.



What will your post-war I.P. be?

This is the Sixth of a series of advertisements presenting "Industrial Par" and its importance to your company in all future planning. Save this and succeeding I.P. advertisements as the basis for discussion and as a guide to your planning program.

Keeping the Business Gyroscope Balanced Is All a Matter of I.P.

Remember the gyroscope you had as a kid. You gave it a flip with a bit of string and there it stood spinning and gracefully balanced. As it lost its spinning momentum it began to wobble, and finally, as its motion was spent, it just keeled over.

That toy gyroscope symbolizes an important principle in the making and selling of goods. When we are able to produce more at lower cost we sell more. When mechanical refrigerators cost about \$400, they sold at the rate of 50,000 a year. When lowered production costs brought the price down to around \$160.00, a million and a half were sold every year. Increased sales call for increased production and increased production means more jobs. More jobs and wages, in turn, contribute to making more sales possible and those, in turn, mean even greater production at still lower costs. As long as nothing disturbs the cycle the wheels of business and industry keep spinning in balance, like the gyroscope.

To produce more at lower cost calls for increased output per man-hour. America's industrial greatness was founded on the fact that

we were able to increase our output per man-hour progressively through the years.

In fact, we have established a national industrial par — a constantly increasing output per man-hour equal to approximately 50% every 10 years. Our ability to maintain or excel this industrial par sets our level of national prosperity.

To increase output — to make better products at lower cost — demands production engineering skill, implemented with the best and most modern machine tools.

Machine tool productive power today is one-third to one-half greater than it was in 1939. Their increased effectiveness springs from vastly improved design and performance, rather than sheer numbers in use. Only with the most modern machine tools can any manufacturer hope to compete successfully over a period of years — make workers' jobs safer — more productive — more secure in the postwar days to come.

Let's All Back the Attack! **BUY MORE BONDS**

Spotlight facts for your post-war I.P. planning



*Production methods — developed in wartime — increase man-hour output; pent-up buying power — released in peacetime — demands increased production.

*The rate of $2\frac{1}{2}\%$ increase per year output per man-hour, established by a 12 year record of industrial production, can be expected to reach at least 4% per year — compounded.

*Manufacturers must set a goal of 50% increased output per man-hour every 10 years — to maintain a high level

of national prosperity and achieve its benefits in terms of security of jobs and wages for the greatest number of workers and the volume production of more goods for more people at lowest cost.

*Machine tools — the most modern, most efficient — are recognized as the most effective implements of mass production and increased output at lowest cost — but only continual replacements with the newest and finest machine tools assures full productive capacity. Such replacements yearly should be equal to

10% of the total machine tool investment — in keeping with increased output.

*The cost of machine tools is insignificant in terms of their productive power . . . from 1927 to 1937, according to census reports, American manufacturers had only a total of about 2% invested yearly in machine tools in ratio to a total volume of 9 billion dollars' worth of production annually.

††Industrial Par — the constantly increasing output per man-hour equal to approximately 50% every 10 years.

Milwaukee Machine Tools



KEARNEY & TRECKER
CORPORATION

MILWAUKEE 14, WISCONSIN

The Great River of the West...



The Columbia River

*It beats an accelerating pace
for the westward march of industry*

This second largest river in the United States (1210 miles long) is America's greatest source of hydroelectric power. It pumps low-cost energy into an empire of 257,000 sq. miles unmatched in raw material richness: over half the nation's standing timber; millions of acres that grow every fruit and field crop native to the temperate zone; and vast deposits of mineral wealth. These perpetual resources are connected by river boat and barge to 190 miles of deep-sea channel to the Pacific... and the world! Food, wood, chemical and electro-metallurgical industries are finding new vigor in this realm of plenty. We suggest you consider the advantages to operating your industry in the Columbia Empire.



An Indian woman—Sacajawea—helped Lewis and Clark find the Columbia River in 1805. But today, over a century later, it is being truly discovered: it is the focal point in the westward march of industry. Only 45 years after Lewis and Clark, The Oregonian started serving the interests of this community, and it has grown with the region into an inseparable part of the life of the people.

The Oregonian

The Great Newspaper of the West

PORTLAND, OREGON

REPRESENTED NATIONALLY BY PAUL BLOCK & ASSOCIATES

misses', girls', children's, and toddlers' outerwear, according to Grant executives, who point out that the store would be handicapped not only by the financial loss but by account inconveniences inasmuch as the chain is accustomed to central pricing.

Retailers' losses on these reduced margins are a simple matter of traditional operation policy. Merchants operate, not on dollar margins, but on ratios to sales volume. Hence, most expenses—payrolls, commissions, markdowns, shortages, discounts, advertising, contributions, insurance, personal-property taxes, state taxes, sales taxes, excise taxes, old-age taxes, unemployment insurance, and leasehold arrangements—fluctuate in relationship to sales volume.

• **May Ignore New Lines**—Judging by retailers' reactions to all these difficulties, low-priced stores will not attempt to add higher-price lines under the new amendment. Thus, as they claim, the consumer will continue to be penalized by being forced to buy such merchandise elsewhere—usually in department stores or other outlets which charge higher markups than the variety chains.

But congressmen know, and OPA men are apt to hear, that even if OPA sticks to its proposal—and if Congress fails to legislate against any highest price line limitation by thus amending the price control act—eventually some retailers may feel they should carry even at a loss the newly available merchandise as a customer service.

• **Means of Pressure?**—Presumably only the chains or other big retailers would be able to take the loss involved in carrying goods at what amounts to cut-rate prices. This, of course, will provide pretty stiff competition for small stores with small margins and small capital which cannot take such losses.

The potential effect on small business, one of congressmen's big concerns, may be the pressure retailers want—either on Congress or indirectly on OPA.

PRICE RULING EASED

The issue of OPA ceiling prices vs. the prices established in resale price maintenance agreements under the various state fair trade laws has just about died down. But this week OPA ruled that retailers who sold commodities in March, 1942 (base period for the General Maximum Price Regulation), at less than their established fair trade prices may apply to OPA for an upward adjustment in their ceilings.

Previously, OPA had allowed a retailer to request an adjustment only after a manufacturer had haled him into court, and the court had found that his ceiling price was based on failure to sell at the fair trade contract price.

DITTO'S "Big 4"



1. PURCHASING

—Get raw materials into your plant 10 days faster!

2. PAYROLL

—Obtain all records from one single writing!

3. ORDER-BILLING

—Eliminate 90 per cent of all typing!

4. PRODUCTION

—Save up to 36 hours getting orders into the shop!

MAIL COUPON TODAY for free sample showing how DITTO One-Typing Business Systems work!

DITTO

ONE-WRITING

Business Systems

DITTO, Inc.
2291 W. Harrison St., Chicago 12, Ill.
Please send us free, without obligation, actual forms for the following Ditto Systems:

(Check which System you desire)

- | | |
|---|--|
| <input type="checkbox"/> Payroll | <input type="checkbox"/> Purchasing |
| <input type="checkbox"/> Production | <input type="checkbox"/> Order-Billing |
| <input type="checkbox"/> Other Systems for..... | |

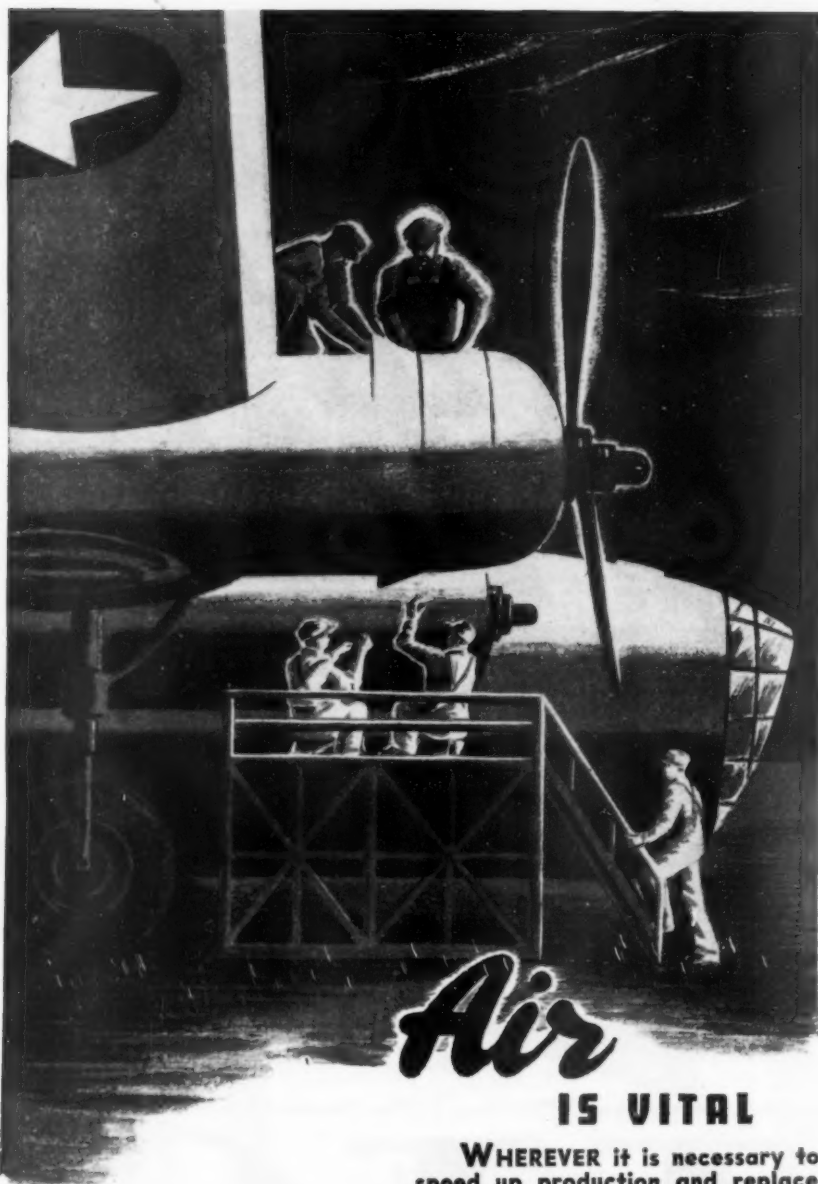
Company Name.....

My name..... Title.....

City.....

County..... State.....

DITTO, Inc., 2291 W. Harrison St., Chicago 12, Ill.
Manufacturers of Business Machines and Supplies



Air

IS VITAL

WHEREVER it is necessary to speed up production and replace lost man-power, air is doing the job. It is the most economical, most flexible and generally useful mechanical means of power application in use today. You can increase your compressed air supply quickly and inexpensively with the Wayne Auxiliary Unit Plan even under present Government regulations. It is the ideal way to secure increased air capacity if your big central unit is not sufficient. Ask for details of this plan and catalog showing complete line. Wayne Compressors are backed by Nationwide Service.

THE WAYNE PUMP COMPANY
FORT WAYNE 4, INDIANA



Buy U. S.
War Bonds

1/2 H. P. to 10
H. P., 1.5 to 40
cu. ft. per min.
displacement.

Wayne

AIR COMPRESSORS

Radio Bill Dies

Industry's criticism of its "Bill of Rights" kills project. Sen. Wheeler says broadcasters don't know what they want.

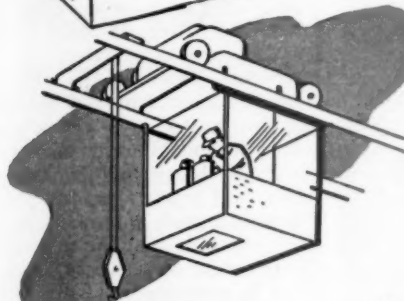
The radio industry's own suggestions unwittingly proved to be the kiss of death for the White-Wheeler radio bill, best known for its ban on commercially sponsored news broadcasts but more significant as the "Bill of Rights" in which broadcasters sought to strengthen their position in dealings with the Federal Communications Commission.

• **Wheeler Tears Up Bill**—Far from seeking to kill the bill which it had nursed through six weeks of hearings before the Senate Interstate Commerce Committee—and six months of behind-the-scenes negotiations—the industry was bitterly disappointed when the committee chairman, Sen. Burton K. Wheeler of Montana, exploded over its 14-page memorandum and tore up the bill.

The long fight for new radio legislation settled in the Senate last fall, after broadcasters suffered a series of court defeats in contesting the policies of the FCC since the advent of James Lawrence Fly as chairman. Particularly on the basis of a Supreme Court decision upholding the commission's restrictions on chain broadcasting contract commitments, the industry holds that Congress should define the degree of control which FCC may exercise over station management to insure that licensees operate "in the public interest."

• **Gunning for Fly**—After failing to get aid in the House during the previous Congress, the industry switched its attention to the Senate to support a bill by the minority leader, Sen. Wallace White of Maine. In addition to revamping FCC administrative procedure to protect stations from arbitrary or capricious commission actions, the White bill had an extra attraction in its revolving chairmanship clause, for it would probably have put Fly in the shade during the remaining five years of his term.

• **Banned Sponsored News**—The story changed when public hearings opened in November, for Wheeler demonstrated his determination to influence the contents of the bill, a determination which he pressed through the bitter sessions with White that followed the public hearings. Although the final bill contained all of White's checks on the commission, it won Administration blessing by legalizing most of the controversial policies of the FCC chairman. But it also contained whole new sec-

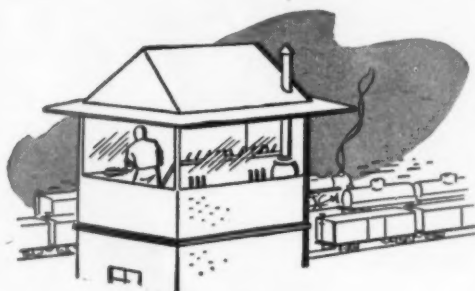


for CRANE CABS

Where crane cabs ride over hot areas in plants, avoid discomfort for operators by equipping cabs with Thermopane—L·O·F's new glass insulating unit. For protection from flying metal and moving equipment, use Thermopane made with Tuf-flex—the plate glass that's tempered to resist impact and thermal shock.

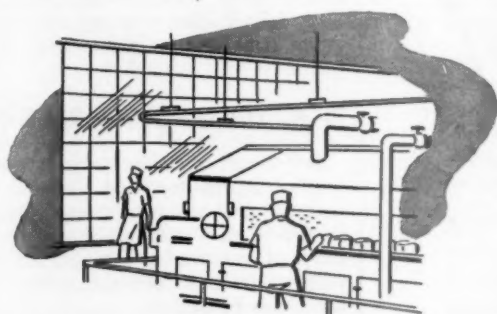
... how industry
can use the new glass insulating unit

Thermopane



for CONTROL TOWERS

Keeping control and look-out towers even moderately warm in cold weather presents a tough problem. With single glazing, the glass often fogs up due to condensation. Thermopane will largely eliminate this problem—for its insulating properties prevent condensation except under extremely adverse conditions.



for ROOM TEMPERATURE CONTROL

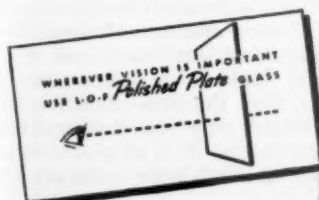
Recently, 420 units of 14" x 20" Thermopane were installed in windows of a large bakery, where room temperature must be kept at 80° summer and winter for proper processing and baking. This installation has proved the effectiveness of Thermopane in providing efficient insulation of window areas—plus full visibility.

Thermopane

Thermopane is made of two or more panes of Libbey-Owens-Ford Glass, separated by insulating layers of air, and sealed with a patented metal-to-glass bond—the *Bondermetic Seal*.

The air inside the unit is scientifically cleaned and dried. Thermopane is installed in a modified single sash just like a single pane of glass, but it provides double-glass insulation.

If you need insulation in light-transmitting and visual areas, get the facts about Thermopane. We'll gladly help you work out its application to your building or your equipment. Libbey-Owens-Ford Glass Company, 5564 Nicholas Bldg., Toledo 3, O.



LIBBEY · OWENS · FORD

a Great Name in **GLASS**



lengthy material easily handled...
-by a 'Chore Boy'!

Deck space of the sturdy BUDA Chore Boy permits carrying loads of lengthy material too cumbersome for other types of shop trucks. Write or wire for bulletin.

LOW FIRST COST... LOW OPERATING COST... LOW MAINTENANCE COST



BUDA

Write or wire for new bulletin

15433 COMMERCIAL AVE. HARVEY (Chicago Suburb) ILLINOIS

Manufacturers of Diesel & Gasoline Engines • Lifting Jacks • Railroad Equipment

tions, the so-called Wheeler clauses, spelling out the responsibilities of broadcasters to provide "equal opportunity" for all parties in controversial discussions, and the ban on sponsored news and commentators.

These new sections, brainchildren of the unforgetting Wheeler, stemmed from the days of President Roosevelt's second term, when broadcasters allowed Wheeler half of a national network to answer Supreme Court "packers" who used four full chains. They reflected bitterness over Wheeler's squabbles with radio commentators.

• **N.A.B. Protests**—The 14-page criticism of the bill by the National Assn. of Broadcasters was leveled almost entirely at the Wheeler clauses. N.A.B. asserted that such "detailed specifications will create operating problems of such magnitude that many broadcasters will conclude that the only safe course is to refuse all political broadcasting." N.A.B. protested the ban on sponsored news and commentators, and expressed its objections to commission policies which had been written into the bill.

Angered by industry's attitude, Wheeler washed his hands of the whole affair, declaring that broadcasters don't know what they want. Insisting that he had tried to be fair, Wheeler said that the only regulations broadcasters will support are those which prevent them from being regulated.

• **Job for New Chief**—Meanwhile broadcasters gave N.A.B.'s new president, Harold Ryan, the seemingly impossible job of reviving the fight for radio legislation.

PICK YOUR OWN RECORDS

Self-service merchandising sells phonograph records for RCA Victor as well as it sells groceries for the supermarkets, so the RCA Victor division of Radio Corp. of America has decided, after two years of tests, to put the system into the hands of dealers.

During the tests, a sales department was set up which proved to the company that records can be sold more effectively and more economically by self-selection.

Among the results noted by the researchers were: Sales volume was increased; personnel could handle three times the volume handled in a conventional department, indicating lower selling costs; dollar sales of classical single records, ordinarily small by comparison, were brought up to close to the volume of classical albums; sales production per square foot was maintained at a high level even in a substantially larger area than the conventional record department; shop wear, theft, and breakage were normal; 90% of sales in test stores were on a cash basis; customers were vit-

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ally unanimous in approval of the test department and continued to inquire for after the test was discontinued.

The complete study has been prepared in pamphlet form for distribution to dealers and distributors. Chapters dealing with fixtures, equipment, store arrangement, grouping of stock and classification headings, control of inventory, and personnel are included.

Too Much Fat?

OPA asks injunction to restrain big packers who don't comply with its half-inch limit on pork cuts. Retailers complain.

A long-standing dispute between OPA and the meat-packing industry flared into the open last week.

Injunction Sought—OPA's Chicago office brought injunction suits in U. S. District Court to prevent the four big packers—Swift, Armour, Wilson, and Cudahy—from selling pork cuts containing fat exceeding OPA standards.

A long list of similar suits is scheduled for filing at Chicago and other points against practically every sizable packer.

Many Samples Wrong—OPA regulations permit no more than one-half inch of fat on pork loins and butts, obviously to prevent hidden price rises by leaving extra quantities of 4¢-a-lb. fat on 2¢ cuts. Many complaints were received from retailers. Affidavits filed with the civil suits indicate that of 600 pork loins examined by OPA investigators, 50% showed fat 1 in. or more, 70% showed fat ¾ in. or more.

Contention of the packers is that they are already doing the best job they can. OPA's interpretation of the half-inch fat rule—that at no point on a cut may the layer of fat exceed the permitted thickness—they call arbitrary and impractical. They argue that the contour of the lean in the loin depends upon the individual breeding, feeding, and manner of handling which the hog has undergone, that no two hogs are the same.

Perfection Too Difficult?—Removing loins from the carcass and trimming off the fat require top skill which today is all too scarce, packers declare. The only way they can make sure there is no more than one-half inch of fat at any point on a given cut would be to plug the piece like a watermelon, or else make a slash the full length of the loin. Either method would impair the keeping quality of the pork and depreciate its commercial value.

Many big pork-eating areas, particu-



Clare relay boxes in the rear of transmitting machine as used in present day telegraph systems.

"WHAT HATH GOD WROUGHT!"

A hundred years ago, May 24, 1844, this historic message flashed from Washington to Baltimore.

Its successful transmission revolutionized world communications... pointed the way for the telephone, the radio, the oceanic cables... was at least partially responsible for the electrical wonderland in which we live today.

Telegraphy has completed a full cycle since that day. Modern telegraphic equipment is a far cry from the rude, hand-operated instrument of Samuel Morse... is in the main automatic.

Clare engineers have kept pace in this advance toward more and more automatic operation by producing precisely-built flexible relays to meet the industry's most exacting requirements. Clare's careful design and use of only the finest materials available insure the necessary rugged dependability.

Clare "custom-building" solves the most difficult relay problems... makes possible a wide range of contact ratings... permits a choice of many combinations of contact forms... makes available coil windings to match the circuit and application... contact closure sequence and desired contact pressures to meet specifications.

Send us a print of your specifications. Let Clare engineers "custom-build" a relay to meet your needs. Ask for Clare catalog and data book. C. P. Clare and Company, 4719 Sunnyside Avenue, Chicago (30), Illinois. Sales engineers in all principal cities. Cable address: CLARELAY.

CLARE RELAYS

"Custom-Built" Multiple Contact Relays for Electrical, Electronic and Industrial Use

ANY OF THESE SIGNS MAY MEAN "FIND-I-TIS"



GET RELIEF WITH GLOBE-WERNICKE "SAFEGUARD" SYSTEM and WOOD FILES

One sure protection against "Find-i-tis" is to "Safeguard" your every filing operation. "Safeguard" is a complete set of folders and special guides created by The Globe-Wernicke Co. It provides a simple, common-sense method of arranging a filing system that makes filing and finding accurate—speedy and sure. Team it with the effortless operation of G/W Wood Files and you have a combination that's second to none. See them in operation at any G/W dealer—or phone or write for particulars. The Globe-Wernicke Co., "Headquarters for Modern Office Engineering," Cincinnati, Ohio.

BUY WAR BONDS AND KEEP 'EM!

*Pronounced Find-i-tis and means inability to find what you file.



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Visible Record Systems
Office Furniture
Bookcases
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FILE AND FIND WHAT
YOU WANT WHEN YOU WANT
IT WITH "SAFEGUARD"!



TIRES TO FREEZERS

The wartime scramble of the big tire companies to keep their dealers supplied with substitute merchandise to replace tires and other auto accessories has transformed most of these outlets into general merchandise establishments.

Whether they will continue as such is a cause of considerable concern to competitive purveyors of general dry goods lines, and of consumer goods producers in general.

So far the tire manufacturers haven't dropped many strong hints. But one Akron company that isn't ready to announce its plans already has in the works a program for postwar distribution of deep-freeze units, washing machines, and radios—all long-profit items to compensate for the traditionally narrow profit margins on tires.

Distribution experts predict that postwar expansion of such companies will be along these lines, partly because of profits, and partly because auto accessory distributors are used to heavy goods, and don't like the trouble involved in handling the hundreds of variety store items some of them have taken on during the war.

larly in the South, require plenty of fat on fresh cuts. In any market, an over-trimmed loin is worth less than one which shows no lean meat through the fat.

• **Volume in Danger**—If the sale of a piece of pork with more than a half-inch of fat at any point is to become contempt of court, packers wonder how they can continue operating. They have faced daily hog supplies beyond their capacity to kill promptly, and say that any substantial increase in the routine for determining the maximum thickness of fat on each outbound pork cut would interfere with their current volume of processing.

The American Meat Institute declares that the industry has with diminishing and relatively inexperienced manpower slaughtered under federal inspection and dressed more than 7,000,000 hogs, or 14,000,000 loins, in each recent month. The 600 cuts that are cited in OPA's complaints they dismiss as an inadequate sample.

A.M.I. suggestion: that OPA enforcement officers direct their attention to the black market instead of quibbling over fat.



Life Lines

Up where sky and earth meet, the skilled mountain soldier stakes his life on a line. It is his life line . . . his link with safety.

• In the grim job of winning this war, the lines of supply are literally the life lines of our armed forces throughout the world. Eight tons of weapons, supplies and food must go overseas with every soldier. Another ton must be sent to him each month to keep him going.

• Today, hundreds of thousands of American fighting men are on the attack. Vast quantities of fighting equipment and supplies, which our forces must have for successful invasion, are being continuously massed at strategic bases. To them the life line of supply carries the blood of life.

• Their life line of supply starts here at home on the American railroads. In thousands of trains, the railroads are moving everything needed to ports to fill the ships of great convoys — the life line that stretches across the sea.

• The job of supply grows bigger and bigger. It is a job that demands long range, minute planning, precision timing, nth degree coordination of railroads with ships. The job is being done — efficiently.

• The Norfolk and Western Railway is proud that it is a strong link in the life line that is supplying and will maintain our fighters in their supreme effort, which will bring complete Victory.

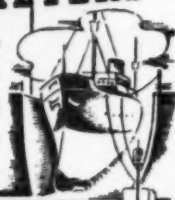
NORFOLK and WESTERN *Railway*

ONE OF AMERICA'S RAILROADS . . . *All* UNITED FOR VICTORY!

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... are used in the raising and lowering operations of one of the largest floating dry docks.



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Work flows with greater smoothness—greater speed—the moment you install EXECUTONE. A mere press of a button gives you immediate voice-to-voice contact with any member of your organization. Reports are made—questions asked and answered—without a man leaving his desk, without a moment wasted. EXECUTONE relieves your switchboard of "inside" traffic...saves you time, money and manpower.

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Back the Attack—Buy More War Bonds!

More Radio Deals

FCC's "duopoly" ruling accounts for part of boom in transfers of stations; approval of sales is expected.

Radio stations have been selling like hot cakes in recent months, with transfer applications pending before the Federal Communications Commission involving a turnover of some \$7,000,000.

• **Field Buys Two**—Heading the list of deals consummated last week was acquisition, subject to FCC approval, of 5,000-watt WSAI, Cincinnati, by Marshall Field, merchant prince and New Deal publisher, for \$550,000. The purchase is from the Crosley Corp., operator of the mammoth 50,000-watt WLW, Cincinnati, which was forced to sell because of the FCC's "duopoly" regulation, banning ownership or operation of two broadcasting stations serving the same area.

Field recently made another "duopoly" deal. He contracted to buy the 20,000-watt WJJD, Chicago, from Ralph L. Atlass and associates for \$750,000. Atlass owns WIND, Gary, Chicago, and was forced to sell under the "duopoly" order.

• **Approvals Expected**—FCC approval is anticipated in these two deals, as well as a dozen others pending, because of the "forced sale" aspect to eliminate dual ownership.

Noteworthy is the fact that of deals recently consummated and transfers awaiting approval only three involve Blue Network outlets—WSAI, Cincinnati, sold to Field; WNBC, Hartford, sold to the Yankee Network; and KECA, Los Angeles, which was bought by the Blue Network.

• **Transfers Pending**—All of the transfers awaiting FCC approval aren't in the "duopoly" category. The market simply is brisk and prices are the highest ever. Some of those pending:

(1) WPEN (5,000 watts), Philadelphia, by Arde Bulova, watch manufacturer and broadcaster, to the Philadelphia Bulletin, headed by Associated Press president, Robert McLean, for \$620,000.

(2) WNBC (5,000 watts), Hartford, by Bulova to W. O'Neil, president, General Tire & Rubber Co. and Yankee Network (New England), for \$220,000.

(3) WHOM (1,000 watts), Jersey City, by independent owners to Gardner Cowles, Jr.'s, Iowa Broadcasting Co., for \$350,000.

(4) KEX (5,000 watts), Portland, sister station of KGW, Portland, by Portland Oregonian to Westinghouse Radio Stations, Inc., for \$400,000 (duopoly).

(5) KSO (5,000 watts), Des Moines, sister station of KRNT, Des Moines, by

Cowles interests to Kingsley H. Murphy, Minneapolis newspaper executive, for \$275,000 (duopoly).

(6) WINX (250 watts), Washington, D. C., by Lawrence Heller to Eugene Meyer, publisher of the Washington Post, for \$500,000 (establishing a record for a new local station).

(7) WELI (1,000 watts), New Haven, by Bulova to Col. Harry C. Wilder, Syracuse broadcaster, for \$225,000.

(8) WOV (5,000 watts), New York, by Bulova to Mester Bros., food merchants, for \$300,000 (duopoly, in view of Bulova's control of WNEW, New York).

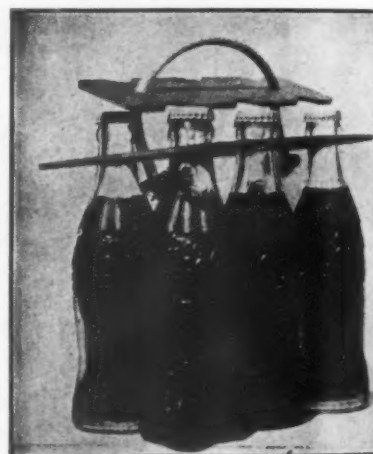
(9) WCOP (500 watts), Boston, by Bulova to Iowa Broadcasting Co., for \$225,000 (duopoly, in view of ownership of WORL, Boston, by Bulova's radio general manager, Harold A. Lafount).

(10) KECA (5,000 watts), Los Angeles, by Earle C. Anthony, Jr., to Blue Network, for \$800,000 (duopoly, in view of Anthony's ownership of KFI, Los Angeles, 50,000-watt).

(11) WGL, Fort Wayne, by Westinghouse to Farnsworth Radio & Television Co., for \$235,000 (duopoly; Westinghouse also owns WOWO, Fort Wayne).

• **Deals in the Works**—There'll be other deals coming up. About a dozen duopoly situations remain. There also are some swaps in the works.

There are six or eight smaller station deals. One of these is the proposed purchase of WJBK (250 watts), Detroit, by United Automobile Workers (C.I.O.), for \$700,000. That would smash even the WINX-Washington Post record price for a 250-watt station.



EASY TO MAKE

A handy new carrier for bottles of soft drinks or beer consists only of two pieces of fiberboard and a sashcord handle. Holes in the lower board fit over the bottles which are held by slots in the upper piece. Travelodge Corp., Lynchburg, Va., developed the holder of noncritical materials.



Far above the highest mountains — way above storms —
airliners of the future will whisk you faster and smoother
through the thin, cold air of the sub-stratosphere. Yet . . .

High as you may fly tomorrow . . . AiResearch promises to keep you comfortable

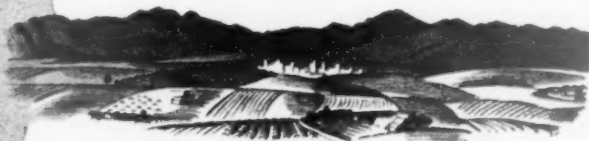
HERE is one of the miracles that will be part of
your postwar living:

An airliner cabin that eliminates headaches, dizziness, ear-popping—keeps you at a “low altitude” while your plane is thousands of feet high!

This will be a pressurized cabin. AiResearch's part in its development was to harness thin air. For air pressure, you know, drops rapidly as you go up from sea level . . . at high altitudes it causes extreme discomforts to many people. Above 20,000 feet, oxygen starvation and unconsciousness.

Working in our vast “Stratolab” with air as thin as that 10 miles high and temperatures as low as -90°F. , AiResearch engineers have perfected automatic controls that actually “seal” low altitudes *inside* your cabin and keep high altitudes *outside* . . . and heat controls that keep the cabin as cozy and warm as your own living room!

AiResearch, too, has promises for your better living on the ground. Come peace, this engineering “know how” will bring air-control devices to work magic in your home, office and farm. So keep them — and the name “AiResearch” — in mind.



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“Where Controlled Air Does the Job” • Automatic Exit Flap Control Systems • Temperature Control Systems • Engine Air Intercooling Systems • Supercharger Aftercooling Systems • Engine Oil Cooling Systems

THE REGIONAL MARKET OUTLOOK—A

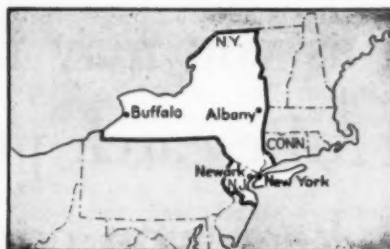
A summary of industrial, agricultural, and other trends affecting the income and general business prospects in the twelve Federal Reserve districts of the nation for most recent month. (Last month's report: BW—May 6, 1944, p. 10)



• **Boston**—Recent slight declines have brought factory jobs down to an average of 10% below a year ago in a host of district centers—Lowell, Providence, Fall River, New Haven, Hartford, Springfield, Worcester. Only the Boston area can match the nation in holding its own over the past year.

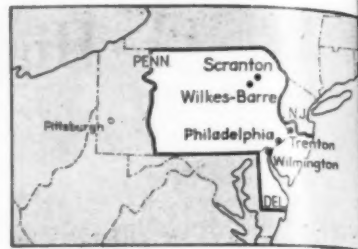
Labor shortage is primarily responsible for the drop, but nonetheless, dollar payrolls also have lagged in New England cities. Arms orders have been lower this year, and no new programs have been placed, though activity hasn't been cut back badly, either. Resort centers will be the one bright spot—many already being "sold out" for the summer.

Heavy spring rains elsewhere did not fall here, and May was especially dry; so pastures and crops are now getting into below-par shape. Discontinuance of "quality merchandising" of potatoes, apples, and poultry also limits war farm income.



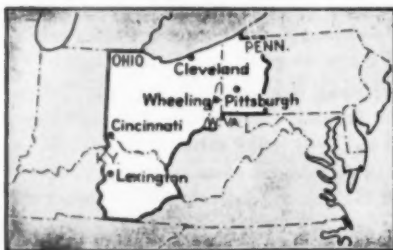
• **New York**—Activity is still holding up in and around this city, though jobs have fallen a bit here, as elsewhere. But where New Jersey propeller work is due to step up, a Brewster shutdown may lay off 9,000 workers on Long Island at the end of the month, following regular slight declines in manpower needs for aircraft at plants there in recent months. Upstate, labor supply is tightening at Watertown, and at Syracuse, where new war contracts have been received. But after recent drops, even dollar payrolls are now down from a year ago in Albany-Schenectady-Troy, Utica-Rome, and Elmira factories.

Crops are making good progress—winter grains, oats, and potatoes—and fruit is in good shape after slight frost damage. Also important, pastures are fairly lush, and hay is growing well; indeed, record incomes have been forecast for New York state dairy farmers this year.



• **Philadelphia**—Manufacturing employment has eased only 3% in recent months, against 6% in the nation, because cutbacks have been negligible. Even Brewster's can back Johnsville (Pa.) plant will become a Navy Dept. works retaining 2,500 of its 4,000 workers. While activity has held up better recently, it didn't gain so much to start with—and factory jobs are currently below 1943 levels in all district centers except Lancaster, Trenton, and especially Scranton, with its belated arms plants. Other current bright notes are the start of mass output of cargo planes in Philadelphia and the probable heavy resumption of vacation business this summer at seashore resorts.

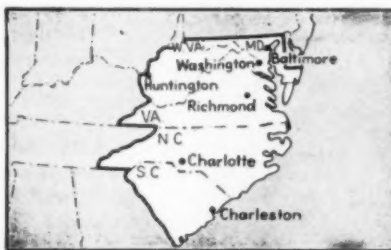
In outlying towns, payrolls are still running high in the eastern anthracite and western bituminous coal areas, while farmers are busy making up delayed plantings, with prospects for autumn farm receipts favorable in most cases.



• **Cleveland**—New ramifications of the big gun program are being felt especially in this district—in shell machinery at Youngstown, new gun castings at Ashtabula, shells (and propellers) at Toledo, and also now in machine tools and heavy trucks. This demand, and draft inductions, have tightened labor supply noticeably, particularly in the Pittsburgh area which is most closely tied in with the new programs; but Cincinnati and Marion, both affected by nearby aircraft plants, also stepped up to 48-hour work last week.

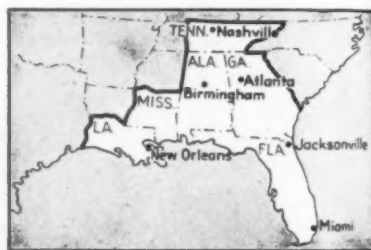
Cleveland factory jobs are dipping, though 10,000 more workers are needed by the end of the month. In general, hot weather will drain men from steel mills, foundries, and other key lines.

Corn planting is nearly finished, and early growth has been good. Wheat and hay harvests start this month. Hog marketings have been heavy, but profits low.



• **Richmond**—Baltimore and Norfolk areas are still losing workers. Despite priority referral, hiring of 16-year-olds, and similar steps to meet labor shortages, payrolls now are stable. Carolina job rolls also are falling now, though boosts in minimum pay, and 48-hour work, are lifting income payments. Many minor expansions in textile, food, and other lines are under way, but labor shortage now limits activity.

District farmers have not responded to requests for higher 1944 acreages as have those elsewhere—and this lag will retard relative farm income comparisons with the nation. Uneven weather has helped some crops and hurt others—cotton planting has been delayed until after tobacco seeding this year—with over-all prospects a bit below average now, though not serious. Thus, fruit and winter grain yields will be up, truck crops and potatoes down. The only price uncertainty surrounds cotton.



• **Atlanta**—Spring rains delayed plantings behind May schedules, but they did store up subsoil moisture, and recent weather has permitted a speedup in farm work, and so crop prospects are generally fairly good—corn, cotton, oats, vegetables, cane, rice, etc. Florida's citrus growth is at a new record, and though peach yields in other states will be below average, they'll be larger than 1943's. Pastures are lush, too.

Manpower needs are still large—15,000 around Knoxville, mostly for secret work; 35,000 at New Orleans, mostly for aircraft; 4,000 at Miami, for skilled jobs; other thousands at Birmingham for shell forging, and in Atlanta for superbombers. Barton, Fla., is to get a meat packing industry, and Lake Charles, La., has just opened its big integrated rubber-gas oil refinery. War employment, however, is off from earlier peaks in northern Alabama and southern Tennessee ordnance towns.

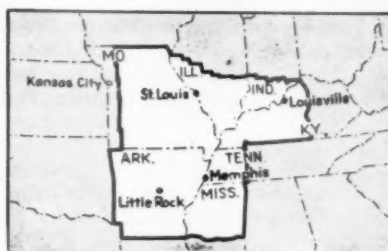
OK—A GUIDE TO INCOME TRENDS

Labor supply still is tight in most regions, as invasion begins, and with it, the possibility of sudden arms shifts. Timely dry weather helps farm work along in most sections, with crop prospects generally a bit above average.



• **Chicago**—In most spots, employment is dropping, in some places because of cutbacks, in others because of draft inroads. But jobs have gone up in other cities—Illinois, Ft. Wayne, Lansing—as arms emphasis shifts there. And labor supply has tightened around Green Bay, Appleton, Fond du Lac, and Wausau, Wis., at Peoria, Joliet, and Danville, Ill., and a couple of other places. Despite declines, factory jobs are above 1943 levels in Chicago, Detroit, and Indianapolis, though not at Milwaukee. Incidentally, rising strike disturbances are now a payroll-cutting factor.

Though many sections have had excess rain lately, enough warm, dry days have come along to permit planting on schedule—except for oats and Iowa soybeans—and so to lift harvest hopes. Receipts are high in this key hog area as slaughter is heavy, but weak prices have pared profits, and buying power is not as strong as income.



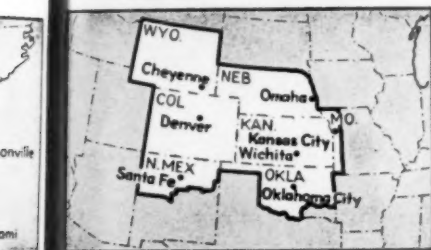
• **St. Louis**—Crop receipts promise to run above 1943's—for, though floods this year were as widespread as last, they came earlier this time, thereby delaying plantings rather than destroying them. Cotton yields may be hurt, and quicker-growing corn will replace many oats acres; but crop progress now is fair, and well-timed sun may still turn out bumper harvests. The rains did hamper livestock feeding, swelling the runs to slaughter; and feed supplies may well continue poorer than those elsewhere.

The biggest sloughing-off in small arms ammunition and explosives is past, and industrial trends are running nearer parallel with the nation's now. Later, ramifications of the big artillery program may be felt in reopened powder works and stepped-up shell loadings; but the current impact is small. Labor supply is still ample in almost all places, though lumber, shoe, and other low-wage lines are pinched.



• **Twin Cities**—Clues to autumn yields won't be ready for another month or two, but what is clear is that farmers in the region are increasing stress on wheat, corn, and oats more than those elsewhere, and holding their own on other crops; over-all acreage is up a bit more here than elsewhere. Thus far, progress in planting and growth has been good, though a bit spotty. Ranges and pastures are in rather good shape—in both the dairying eastern parts and the ranching western sections. So, 1944 farm receipts are apt to be up over 1943's.

Industrial payrolls never were large in the region, but now are slipping, if anything; in Minnesota, they are up less than 10% from 1943. Copper miners have been drafted, pressure for iron ore is down, ordnance work in many spots is falling. However, St. Paul is getting a new telephone handset factory, and Minnesota-Wisconsin resort businesses are preparing for a big year.



• **Kansas City**—Warm, dry weather last month came in time to turn subsoil moisture—restored by spring rains after the winter drought—into improved prospects for winter wheat and faster progress in corn and other planting; 1944 harvests may top 1943's. Ranges are in good shape, too, and irrigation water is plentiful in western sections. Farm receipts now are high because of marketing off of excess hogs and steers, but in a month they'll also be lifted by heavier wheat sales than last year.

Denver's ordnance plant is shutting down; its 20,000 workers a year ago have since taken other jobs, quit the labor market, or entered armed service. In contrast, Kansas City is still striving for labor to staff its aircraft engine plant, and shortages exist at Omaha, De Soto, and other spots. Overall nonfarm employment has gained most in Oklahoma over the past year, lost most in Colorado.



• **Dallas**—District crops are now making good progress, though some cotton, hit by too much rain, has had to be replanted. Moisture is now plentiful, except in the extreme southwestern sections; ranges are in fair shape. Winter wheat in the Panhandle is in better condition, but farther south, lack of rain has caused heavy abandonment. Present prospects are for a little less cotton than last year, but 25% more grain sorghums, and good progress in corn.

Industrial payrolls are easing as employment and overtime are being cut in aircraft, ordnance, and shipbuilding. The district's wartime gain in factory workers, from 150,000 to 400,000, has its postwar planners worried; aircraft has trebled Dallas-Ft. Worth manufacturing jobs to 150,000. But Houston expects to hold wartime booms to petroleum, allied chemicals, and synthetic rubber. San Antonio soon will get a new private plant for postwar rubber goods.



• **San Francisco**—Aircraft production is still gaining, though cutbacks have caused temporary slowdowns in spots, but labor shortages are being felt more keenly in lines where women are less suited—mining, logging, building, and, especially, shipbuilding and repair. Thus, Portland has been losing 2,500 migrant workers a month. Los Angeles, badly short 30,000 right now, has yet to deal with its new \$200,000,000 military construction program.

On top of heavy citrus growths, other fruit crops will be above last year's despite recent frost and hail damage; melon acreage is way up. Vegetable yields generally will be good, too, even though recent weather was a bit cool. So, canning operations soon will accelerate sharply—if labor can be had again this year. In field crops, wheat will be up from 1943, but oats and barley down, and the hay crop is too poor to support current livestock numbers.

LABOR

NWLB Sustained

Circuit court decrees that board's orders are not subject to judicial review, declares that Congress intended to forbid it.

The National War Labor Board, which has avoided courts like the plague, has taken the decision of the U. S. Circuit Court of Appeals for the District of Columbia in a suit brought by the Employers Group of Motor Freight Carriers, Inc., as complete vindication of its bench-shy attitude.

• **Review Impossible**—The three justices of the appeals court were unanimous in ruling that no authorization existed in law for court review of NWLB orders. The board always has refused employer requests to submit its findings and recommendations to judicial scrutiny, and it never has asked for judicial enforcement.

Although NWLB always claimed it had statutory license to hold itself aloof from the courts, its practical reasons for doing so were so compelling that many lawyers thought the board's legal arguments on the subject were tenuous rationalizations fated to be swept aside by the federal judiciary.

• **Speed Is Watchword**—The basic tenet in NWLB's labor relations philosophy is speed: Get the disputants in front of the board, get the issues on the table, get some kind—the best possible, of course—of decision, get a contract signed, and do it all fast, lest persevering disagreements boil over into a war work stoppage.

Interposing the machinery of judicial review, which always runs in low gear, at any point in the board's routine would upset the timetable, rob NWLB of the speed which it considers the keystone of its effectiveness.

• **Cause and Effect**—Employers, painfully aware that something like a direct cause-effect relationship existed between what the board has variously called recommendations, decisions, directives, and orders on the one hand, and presidential seizure of property on the other, have sought legal ground for court intervention.

Pending in a number of federal courts are employer suits which seek to enjoin NWLB from one or another of its standard procedural steps. The point of law at issue in all of them is, in effect: Can the particular step which plaintiffs

are seeking to enjoin be subject to judicial consideration and thus ruled on as legal or illegal?

• **First Appeal Decision**—The few lower court rulings which have been handed down in these injunction cases vary and have not been taken as conclusive. The Motor Carriers' suit was the first to reach a court of appeals.

In that case, NWLB had resolved a labor dispute over wages by ordering New England trucking companies to give their employees an increase of \$2.75 a week and pay time and one half for work of more than eight hours daily.

The truck group went into a U. S. district court to prevent enforcement of this order. The companies' contention was that if they did not accept the order, the board would notify the President of their noncompliance and the President might take possession of their plants and facilities. But their petition was denied, and they appealed.

• **Advisory Function**—The appeals court held that the President's power to seize property in behalf of the war effort did not depend on any NWLB action;

that when the board notified the President of defiance of its orders, it was acting in an "informatory and, at most, advisory" capacity.

The judges decided that a plea to annul a board order amounted "to a demand that we prevent the board from giving the President advice." The court stated that if the President did ultimately seize property it would be an action independent of NWLB's orders.

• **"A Positive Intention"**—Basing their position, in large part, on the Connally-Smith War Labor Disputes Act which its sponsors originally declared was intended to curb NWLB powers, the truck operators learned as others have learned before them that this law's value to industry is negligible if not indeed, negative (BW—Sep. 11 '43, p. 108). "The legislative history of the War Labor Disputes Act," said the circuit justices, "implies a positive intention that these orders should not be reviewed."

Although the court conceded that while the lack of a law authorizing review of board orders was probably conclusive, the question still remained as to whether "general equitable principles" empowered judicial review.

• **No Property Taken**—On this point, the circuit judges answered, "We think they do not," after noting that the Se-



OFF THE PAYROLL

Charged with conspiring to defraud the government, 137 shipyard workers in Boston face prison terms ranging from two to ten years for the alleged padding of payrolls with work never done. Released in bail—totaling \$80,000—the accused, all employees and former employees of Bethlehem-Hingham Shipyard, are reported

to have received as much as \$75 a week each over their wages. FBI agents, who took jobs as welders in the yard, reported that overpayments—estimated at \$500,000—occurred after counters agreed with piece-work welders to record false credit in exchange for "kickbacks." In Baltimore a grand jury is sifting similar charges that have been made against 39 employees of the Bethlehem-Sparrows Point yard.

preme Court had sustained suits, not specifically authorized by statute, to annul or enjoin alleged illegal administrative action where "(1) the administrative action was directly injurious to the legally protected interests of the plaintiff, or (2) it furnished a basis for probable judicial proceedings against the plaintiff."

The court did not find that the truck group's cases fell in either of these categories. "No money, property, or opportunity has been taken or withheld from the appellants. . . . No one threatens . . . upon the authority of the board's order."

• **Way Seen Open**—A Justice Dept. official interpreted the decision as opening the way for dismissal, on government motion, of every action brought against NWLB, among which are five Montgomery Ward & Co. suits now pending in federal courts. An employer attorney suggested that, if the circuit court's reasoning is upheld, the only remaining opportunity for challenging government seizure will be, as in the Ken-Rad case (BW—May27'44,p102), after the government has taken over.

Although the Supreme Court ultimately will be asked to consider the issues raised by the truckers and other employers, the circuit court's unanimity suggests that employers will look in vain to the judicial branch for relief.

• **Amendments Are Unlikely**—Congress alone can alter NWLB's operations in any significant degree and the chance of that happening is considered slim. Although a die-hard, anti-Administration group of legislators is proposing stringent amendments to the Connally-Smith act, a majority is counted on to shy away from putting new teeth in the law.

Revolt Snagged?

Extension of Edmundson drive against Lewis is viewed as evidence that he couldn't keep the issue alive in Illinois.

Despite the fireworks touched off by Ray Edmundson's "rank-and-file" campaign for district autonomy in the Illinois coal fields (BW—May27'44,p98), belief that his movement was actually failing gained support in labor circles this week as Edmundson broadened his attack on the United Mine Workers hierarchy by calling a conference of 21 U.M.W. districts whose affairs, like Illinois', are in the hands of provisional officers appointed by John L. Lewis.

• **A Long Shot**—Paradoxical though it appeared, the nationalizing of what had formally been a local Edmundson chal-

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lenge was interpreted as evidence that he couldn't put over his program in the Illinois district and, to keep a dying issue alive, was looking for national publicity. No other explanation satisfied union leaders who had intimate knowledge of Lewis' tight control over U.M.W.'s apparatus. They felt that only a man who had very little to lose would go to the mat with Big John inside his own organization.

The Edmundson meeting, scheduled for Cincinnati July 2, will be, if it lives up to its billing, a rump convention. Its announced purpose is to organize the 21 (out of U.M.W.'s total 31) districts for purposes of taking over the union's regular convention in September. Ostensibly the purpose of the move is to win the right for the 21 districts to elect their own officers.

• **Fishing for Support**—Actually it will let Edmundson know how much disaffection in the miners' union can be mobilized behind his drive for the Lewis crown. In gaging this sentiment, he may have to discount appearances heavily because ex-officers of the miners' union, like Philip Murray and Van Bittner who are Lewis enemies, may give ballyhoo support to an anti-Lewis campaign which won't mean much when convention votes are counted.

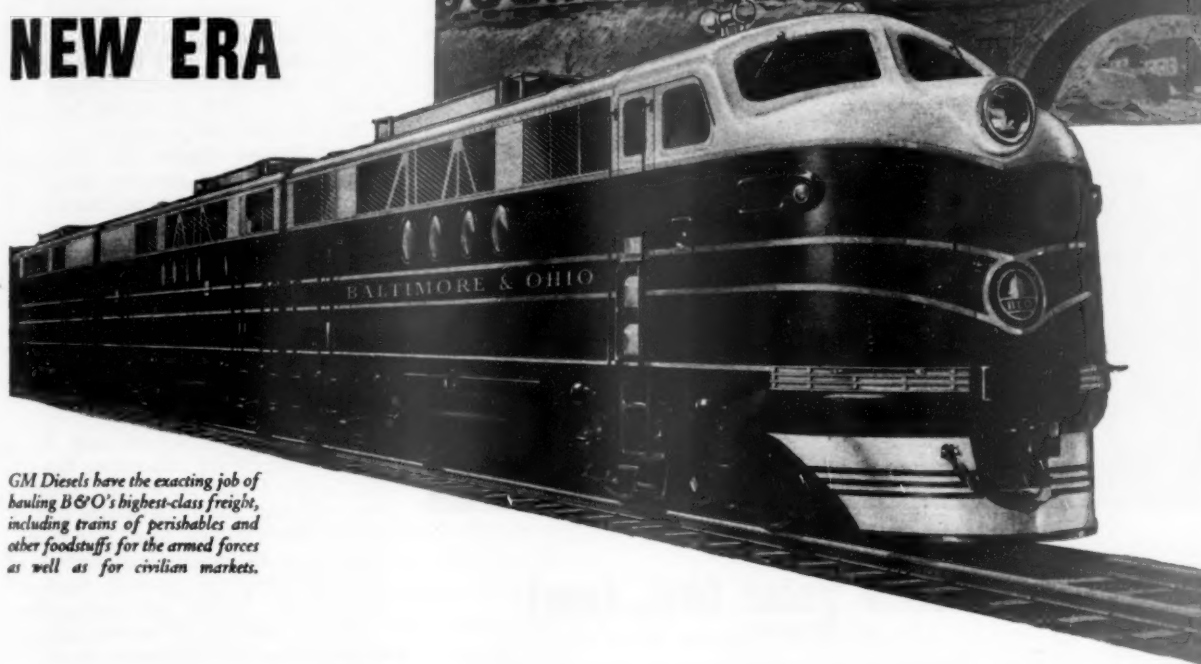
The Edmundson decision to point his efforts toward the miners' biennial convention was taken when a Springfield (Ill.) meeting that he called last week voted a permanent organization to carry on the fight for district autonomy. Delegates from nearly 100 local unions in Illinois and four members from West Virginia attended and backed Edmundson's program 100%. This despite the warning by Hugh White, Edmundson's successor as appointed president of the Illinois district, that the rally was unconstitutional.

• **Program Adopted**—Resolutions sponsored by Edmundson and approved by his meeting included a demand for reducing union assessments; return of the mine workers building in Springfield to the membership; adoption of a health and accident insurance program at the national convention; full portal-to-portal pay for miners; and premium pay for night work in the mines.

As the Edmundson revolt remained the No. 1 topic for discussion in Illinois coal camps this week, a more dramatic figure appeared on the scene. Lewis arrived in Springfield for what his supporters explained was a regular visit to the home of his mother. But it seemed that the boss would not neglect the opportunity of combining business with filial duty, would—as the shrewd battler he is—assess the Edmundson revolt for himself before it got too far along.

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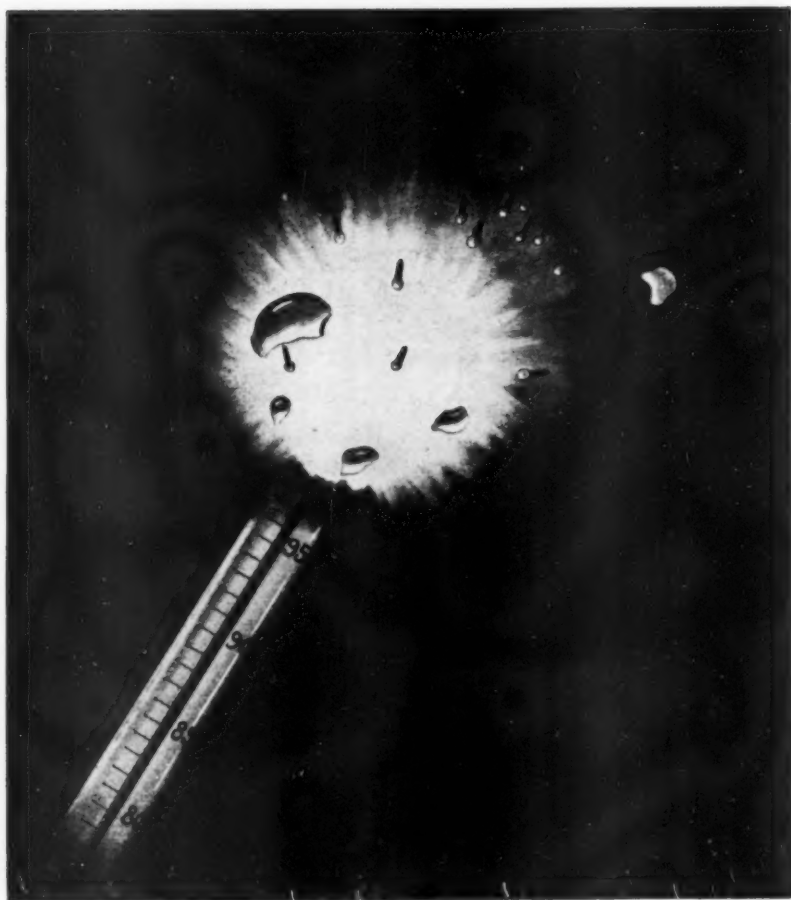
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Issue at Endicott

Whether shoe company's square deal shall also include union security is the question. Renewal of fight is expected.

A large arch over the roadway leading to the Endicott Johnson Corp.'s main shoe manufacturing plants in Endicott, N. Y., bears the legend, "The home of the square deal." But whether the square deal should include union security has been the subject of controversy for more than a year between the company and C.I.O.'s International Fur & Leather Workers Union, of which some 2,000 Endicott Johnson tannery workers are members.

• **May Renew Fight**—The National War Labor Board recently upheld a regional board order granting the C.I.O. maintenance of membership, but the current contract runs only until June 19. Company spokesmen indicate that negotiations for a new contract are likely to turn on the m. of m. issue. Thus, unless the completely unexpected happens and the union or the company backs down, the issue will remain to be fought out all over again.

The company bases its case on a technical argument concerning the 15-day escape period in which members may withdraw from the union if they wish. The regional board's decision, which gave the union maintenance of membership, the checkoff, time and one-half for overtime, and continuation of existing holiday and vacation pay and medical benefits, was handed down last Nov. 9.

• **Rules Revised**—On Nov. 10, the board amended its rules to require that notice of the union security clause be posted in the plant.

Endicott Johnson has contended—and NWLB industry members agreed in a minority report on the case—that the tannery workers were not given due legal notice, because of the board's switch in procedure. The majority opinion held that announcement of the regional board order was sufficient notice.

• **Not a Valid Reason**—In dissenting, industry members emphasized that the company "has always been regarded as a shining example as a result of the liberal treatment of its employees," but public and labor members ruled that the company's generous employee relations policy could not constitute a valid reason for denying union security when a majority of workers requested it.

The Fur & Leather Workers' contract was negotiated immediately after the union won a National Labor Rela-

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Something for the Boys—and the Boss

During a lull on any front, in any foxhole, the primary topic of nostalgic conversation is food—generally the kind that “Mom” cooks. To satisfy this craving—and ease his labor shortage—Gennaro Capaldi has thrown open his Watertown (Mass.) cannery to local womenfolk who want to send homecooked victuals to G. I. relatives.

• **Soup to Nuts**—It started when Capaldi—head of Naples Food Products Co.—received a letter from five soldiers in New Guinea craving his plant’s ravioli. He shipped it, then ran a newspaper ad offering to process homecooked dinners gratis. The response was immediate.

Townfolk flocked in with soups, beef stews, spaghetti dinners, and other favorites—“cooked the way Joe likes it.” Mothers poured their own gravies (right), supervised individual projects, while plant workers vacuum-sealed the cans—three for a person. In eight weeks more than 3,000 orders were filled.

• **Troops Want More**—There are no strings to the offer, but Capaldi, who lost most of his help to nearby war



plants, offers each home cook full or part-time jobs at 60¢ an hour. About one in ten responds, enough to relieve his labor pinch.

Meanwhile the scheme snowballs. From overseas come requests for “more of the same,” and women’s clubs and fraternal groups are reported considering Naples free canning offer. And it’s the more the merrier with Capaldi, for each applicant is a potential employee.

tions Board election in December, 1942, by a vote of 1,037 as against 951 for no union. By mutual consent, the company and the union referred to the regional war labor board the clauses on union security and wage adjustments, on which they could not agree.

• **Decision Pending**—The company also appealed the regional board’s decision on wages (1¢-an-hour increase to all tannery workers, and a 59¢-an-hour minimum wage, retroactive to April, 1943), but the national board’s decision on this part of the case has not yet come through.

The union’s election victory came as something of a surprise, not only because the company has for years been acclaimed a model of good industrial relations, but also because previous efforts at organizing had flopped.

• **Traditionally Antiunion**—In 1940, Endicott Johnson workers staged an enthusiastic victory parade through Endicott, Johnson City, Owego, and Binghamton, where the company’s plants are located, after they had rejected both the C.I.O. and the A.F.L. shoe workers’ unions by a vote of more than six to one (BW—Jan.13’40,p41).

As an alibi for the election rout, labor leaders point to the fact that George F. Johnson, the company’s venerable and popular board chairman, suffered an at-

tack of illness in 1940, just when the NLRB poll was being held, and that this was used as an occasion for mass prayers in which much was made of his good works in behalf of his employees.

Except for the tannery workers, Endicott Johnson employees still shy away from organization.

• **Claims Fewer Stoppages**—Organization of the tannery workers was effected on a program of job security, settlement of grievances, and retention of concessions which the company granted during the period of the organizational drive. However, the union’s claim that work stoppages over grievances have been almost entirely eliminated in the tanneries as compared with the unorganized plants is contested by company spokesmen, who state that the stoppages, on the contrary, have multiplied.

The Fur & Leather Workers Union applauds Endicott Johnson’s liberality on many scores and states that wage rates always have compared favorably with those in organized shops.

• **Profits for Workers**—The company has a profit-sharing plan for employees, and liberal pension, death benefit, and free medical treatment plans. Many workers have been aided in buying their own homes at low cost, and elaborate playground, vacation, and other recreational facilities have been provided.

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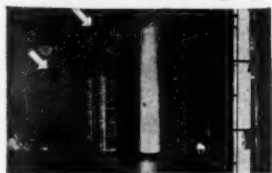
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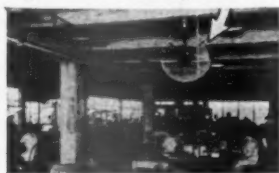
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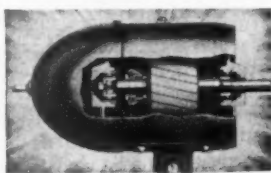
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Incentives at Issue

Alabama strikes touched
off by disagreement over rates
for premium production end on
news of Allied invasion.

Dissatisfaction over wage incentive systems has brought a mounting load of cases to the National War Labor Board's dispute docket and caused many of the recent work stoppages in war production centers.

• **Two Incentive Strikes**—The busy industrial area of Birmingham, Ala., got a taste last week of the wage incentive wrangle in two strikes that brought production to a standstill in two vital war plants—the Pullman-Standard Car Mfg. Co. at Bessemer, Ala., and the Fairfield steel plate mill of United States Steel Corp.'s Tennessee Coal, Iron & Railroad Co.

These strikes created a wave of walk-outs which smashed on the Birmingham area in a short space of time. Other operations hampered by strike were those of the Alabama Byproducts Corp., Republic Steel Corp. (mines), DeBardeleben Coal Co., Connors Steel Co., and Southeastern Greyhound Lines.

• **Standards Changed**—As in the Pullman-Standard dispute, many arguments over incentive rates of pay have begun when standards were reset to allow for increased output due to technological and other nonlabor factors.

Trouble had been brewing between Pullman-Standard, which employs about 700 there, and the C.I.O. United Steelworkers of America. It came to a head when the company announced that, effective May 10 it would increase its work line from 18 cars daily to 21 cars.

• **Wage Cut Charged**—The work line is the basis for the incentive pay schedule. Welders earning 54¢, 61¢, and 72¢ an hour are eligible for a 92¢ rate for those days on which they "work down the line"—that is, complete their assigned jobs on all cars. On the 18-car line, they had been hitting pay dirt with increasing regularity.

Over the company's assurance that enough new workers would be employed to make the new work line as easily completed as the old one, the employees howled that the device was a stretchout and that it was tantamount to a 25% wage cut.

• **Piece Rates Affected**—Piece-work rates of other departments were similarly affected—and similarly resisted with the additional cry that piece-work rates, which were set by NWLB directive, were unalterable without specific NWLB authority.

C.I.O. unionists rode rough shod over Pullman-Standard's claim that the A.F.L. International Assn. of Machinists exercised jurisdiction over labor in the plant, and when the C.I.O. workers struck, members of the A.F.L. union as well as unaffiliated workers accompanied them.

Intervention by the U. S. Conciliation Service ended the strike after four days on the understanding that Pullman-Standard would negotiate a contract with the C.I.O. steelworkers. But negotiations stalled quickly, and in two weeks a second strike had begun. This time the strikers announced their determination to hold out until they were assured of getting a contract in which disputed issues would be left for settlement by the National War Labor Board.

• **D-Day Agreement**—That proved to be D-Day, which brought agreement to union demands that portions of the contract already accepted be made immediately effective while unsettled points—wages and vacation pay—be referred to NWLB. The invasion touched off a back-to-work stampede among other Birmingham strikers, 5,000 in all returning to their jobs to leave the busy industrial area completely strike-free.



CHARM SCHOOL

Feminine bus drivers and trolley car conductors learn the fine points of good grooming at the new "charm school" operated by Washington's Capital Transit Co., for employees. Coiffures are only part of the three-week course; the girls also learn how to keep customers "out of their hair" and vice versa. The school observes company policy that its workers should be neat and trim—never whistle-pvoking.



WHAT MAKES A BOMB OR SHELL EXPLODE —AT THE RIGHT INSTANT?

When a bomb or shell explodes is just as important as *where*. Some are designed to explode before contact with the target, and some on contact. This "intelligence" depends upon a little precision device called a fuze. If for any reason the fuze doesn't function with split second timing, the shell or bomb has either been a failure or accomplishes greatly lessened destruction.

It is because of the unfailing accuracy of this device that the number of "duds" dropped by our flyers and fired by our gunners is practically negligible.

Pollak has made over 20 million fuzes for the Army and the Navy. So well have we done our job that

the Pollak Manufacturing Company has been awarded the Army-Navy "E" and four stars.

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facturers and sales organizations. Even now, you are probably planning for peacetime manufacture, so we suggest that you consider Pollak and its large, modern equipped plant manned with over 4,000 well trained workers to help you with your product development and manufacturing job. Call us in to your peacetime manufacturing conference now. Our executives and engineers have much to offer in valuable experience and knowledge that can be helpful to you. We will be glad to meet with you at your convenience.

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PRECISION
PRODUCTS**



Five Army-Navy "E" awards—the Flag and Four Stars—each of which symbolizes six months of Exacting Service to our Armed Forces, have been awarded to Pollak.

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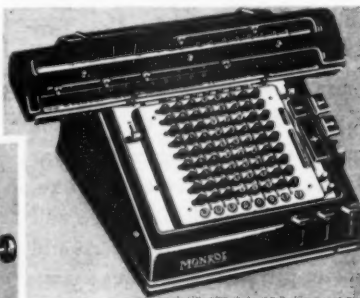
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CALCULATING • LISTING • ACCOUNTING MACHINES

D-Day Therapy

Invasion brought an end to all but two of the major labor disputes. Coast machinists and Wright strikers persisted.

The D-Day feeling proved to be quick and effective therapy for most of the nation's important labor trouble. Chronic fever spots like Detroit, Birmingham, and the New Jersey industrial area were operating at full-crew levels as the invasion news stamped strikers back to work.

• **Two Survived**—The only major disputes stubborn enough to survive in the face of the national unity feeling which swept the country were:

(1) The overtime argument in the San Francisco Bay region machine shops which involved A.F.L. machinists and employers who had solid government backing; and (2) the Lockland (Ohio) stoppage at Wright Aeronautical Corp. in which 12,000 members of C.I.O.'s auto workers union defied their leaders to remain idle in protest against the use of seven Negro workers in an all-white department.

• **Defied NWLB Order**—The 5,000 West Coast machinists persevered in their refusal to work more than 48 hours a week in 104 uptown machine shops until the California Metal Trades Assn. agreed to make retroactive wage adjustments in a contract that was in process of negotiation when the National War Labor Board ordered the parleys ended. They persisted despite appeals from employers and direct orders from NWLB. The no-overtime stand was officially sanctioned by the union.

Pending threat over the machinists' heads was NWLB's promise to refer the dispute to the President for "appropriate action"—meaning plant seizure. The local union is enforcing its overtime ban by calling for the discharge or discipline of any member not conforming. NWLB's order directs the union to withdraw the penalty.

• **Union Approved Transfers**—The Wright Aeronautical stoppage developed so suddenly and was so critical that NWLB was not even in the picture at midweek. Army Air Force Procurement was concentrating on getting vital engine output resumed.

In contrast to the Pacific Coast trouble, Army officers in Lockland had the full support of the union which had approved the transfer of skilled Negro workers to departments where they could be better utilized. Union shop stewards spent D-Day and the next circulating among the strikers, urging

their return. The organization condemned the walkout and promised disciplinary action against some 25 alleged ringleaders.

• **Contract Shift Urged**—Rather than do much waiting for the union machinery to liquidate opposition, the AAF urged that contracts be transferred from the Wright plant to plants where production can be achieved.

There were strong indications that the government would move swiftly in both the San Francisco and Lockland disputes.

Independents Win

Unaffiliated unions score preliminary victory in their demand for a voice in determination of their NWLB cases.

Demands of independent unions for representation on the National War Labor Board have yet to be met (BW—Apr. 22 '44, p. 102). But the independents are beneficiaries under a program to compensate for that lack, begun last week in Detroit.

Louis C. Miriani, regional director of the board, appointed Ronald W. Haughton, director of the disputes division, as liaison man between the board and independent unions in Michigan.

• **Voice for Them**—When a case involving an independent union comes before the board, that union can request and be granted permission to have an independent union man sit as the labor representative of the committee considering the case. This procedure will prevail whether the matter is up for review, for appeal, or for post-directive action.

When disputes involving an independent union come up, Haughton will confer with representatives of the labor group to learn their wishes on representation, and to consider their recommendations for a member.

• **C.U.A. Carried Ball**—This procedure is little more than a formalization of action taken in Detroit area cases since the Mechanics Educational Society of America staged a 25,000-man strike over representation issues in February (BW—Feb. 12 '44, p. 99).

After that strike, the fight for recognition through membership on the boards was continued by the Confederated Unions of America, with which the M.E.S.A. is affiliated.

Placement of representatives on regional boards probably will satisfy the C.U.A., although the organization will continue to demand "fuller representation."

THEN BUSES WILL BE

Braked Electrically



It's rough going along the Alaska Highway—big tractor-trailers heavily laden with supplies for the Aleutians must grind up steep grades, creep down icy hills, or plough through snow and mire. Yet these giant land transports are always kept under safe and complete control by Warner Electric Brakes. Performance-proved on many war fronts—on huge artillery pieces, as well as motor transports—these Electric Brakes are destined for wider ranges of service after the war. Then buses will be braked electrically—yes, and many other types of power equipment.

Warner Electric Brake Mfg. Co.
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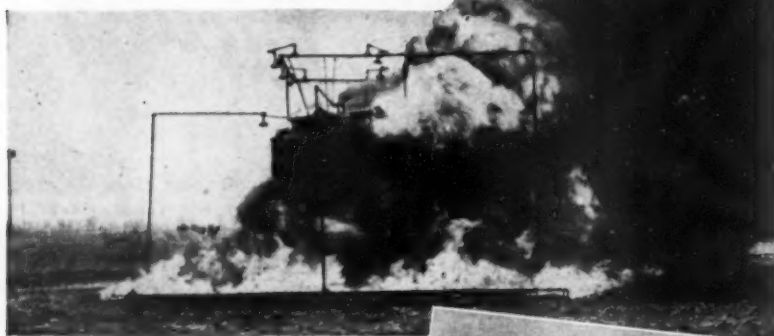


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Outdoor Transformer fires aren't frequent. But they are plenty tough. Large quantities of highly inflammable oil get the fire off to a fast start. Metal temperatures soar. Extinguishment and cooling must be swift, or costly equipment becomes junk.

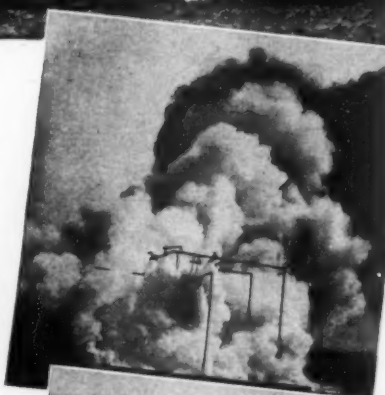
Transformers represent only one of the many tough hazards Cardox Fire Extinguishing Systems are engineered to protect. Engineered applications of Cardox Systems provide quick extinguishment of both large and small fires involving "A", "B" or "C" hazards, or a combination of all three types of flammables.

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If you would like more information for use in solving war plant fire protection problems . . . or in planning that will prevent dangerous delays in getting post-war production in high gear . . . write on company letterhead for Bulletin 1064.



(A) Test transformer fire. 450 gallons of transformer oil, caused to overflow tank at approximately 20 gallons per minute. Fire allowed to burn 1 minute, 40 seconds before Cardox CO₂ being released. (B) Cardox CO₂ being released. Fire extinguished in seconds. Oil and metal cooled below re-ignition period in 1 minute. (C) Fire out. Note CO₂ snow on surface of cooled oil at base of transformer.

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Leather Trouble

Strike to force action by
NWLB on Boston area cases
may aggravate strained relations
between A.F.L.-C.I.O. unions.

The 200 A.F.L. firemen and engineers who recently walked out of Boston's north shore leather plants for six days were protesting what they called National War Labor Board "bungling."

But the strike, second major flareup since the Army took over leather plants in the area for a month last fall (BW—Dec. 4 '43, p. 86), threatened to aggravate touchy C.I.O.-A.F.L. relations which have been strained for months over collective bargaining rights.

• **Wage Boost Asked**—Strikers of the International Union of Operating Engineers & Firemen (A.F.L.) forced about 3,000 leather workers into idleness in more than 40 Salem, Peabody, Danvers, and Lynn plants. The strike was the union's first in 43 years.

Complaint was that NWLB had not acted on any of ten union requests for wage increases, although some of the contracts involved had expired six months back. The firemen, whose present wage scale ranges from 80¢ to 93¢ an hour, are asking \$1 an hour. Employers had approved increases in seven cases, but NWLB, the union charged, had not even made a promised survey of the requests.

• **Production Cut**—The regional war labor board replied that its own manpower shortage was partially responsible for the delay. It added that decisions made last December on wage increases had been withheld at the request of dissatisfied union representatives, who wanted to wait for settlement of similar cases in other leather companies.

Refusal of the engineers and firemen to work until NWLB acted on their requests slowed production to a virtual halt within a few days, although strikers made intermittent concessions by stoking fires for operations essential to protect perishable leathers.

• **Election in Fall**—Pickets at the Hunt-Rankin Co. and Carr Leather Co. plants attempted to stop the delivery of supplies by A.F.L. drivers. The walkout was indorsed by the United Leather Workers Union (A.F.L.) but was denounced by the International Fur & Leather Workers Union (C.I.O.), indicating a challenge to the C.I.O. union which now holds collective bargaining rights to be voted on at National Labor Relations Board elections in the tanneries next fall.

Settlement of the strike was reached

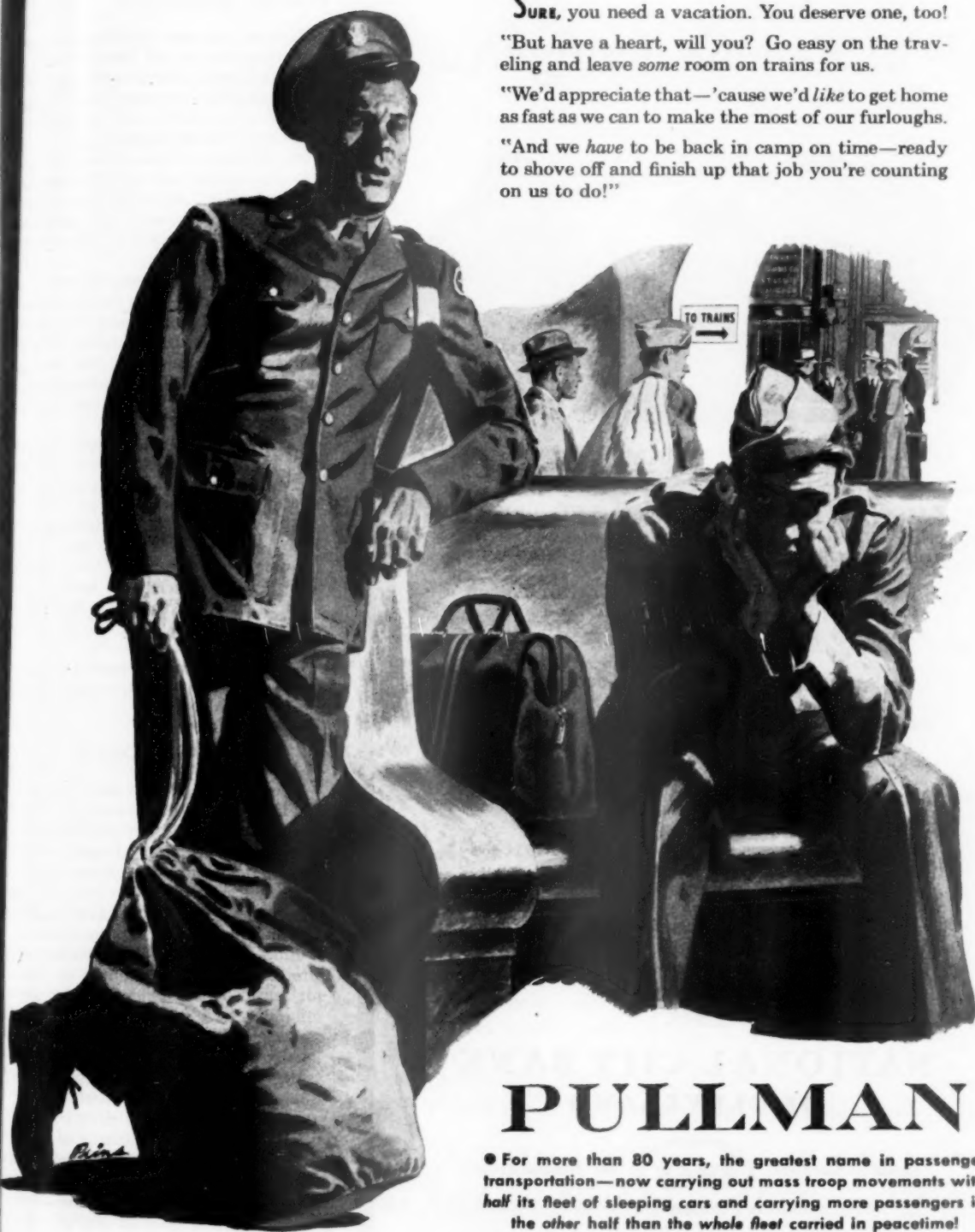
"Have a Heart, Pal!"

"SURE, you need a vacation. You deserve one, too!

"But have a heart, will you? Go easy on the traveling and leave *some* room on trains for us.

"We'd appreciate that—'cause we'd *like* to get home as fast as we can to make the most of our furloughs.

"And we *have* to be back in camp on time—ready to shove off and finish up that job you're counting on us to do!"



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The 99th Candle Will Remain Unlighted



Although the 99th birthday of Cleveland's oldest bank fell on May 17th, that was no time for an anniversary celebration. Only one event will truly deserve celebration—**VICTORY.**

It is our deepest hope that, before our centenary rolls around next year, we shall hail that day of days when the last gun of our enemies is silenced.

Meanwhile, every plan—every resource—every energy of this bank will remain devoted to helping to speed the day of victory.

**THE
NATIONAL CITY BANK
OF CLEVELAND**

Euclid at East Sixth



and Terminal Tower

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

May 23 when it was agreed that the regional war labor board would select a panel consisting of one representative from labor, one from industry, and one representing the public, to consider evidence in the wage disputes.

FOREST ARMISTICE

Saws are whirring again in Northwest mills, and the cry of "timber" can be heard in logging camps as production of critical lumber is resumed, marking the end of a two-week work stoppage of more than 30,000 workers.

But the cause of the strike remains no nearer solution, and next Monday the National War Labor Board must begin anew to wrestle with the problem—whether to grant A.F.L. and C.I.O. wage increases.

It was only the promise of NWLB to "consider your request for reconsideration of our decision" and "to receive the views of the parties involved in 77 industry-wide fir and pine cases pending before the board," that got angry sawmill workers and loggers back on the job.

On May 17 NWLB rejected a demand from the A.F.L. Northwestern Council of Lumber & Sawmill Workers for an hourly minimum wage boost from 90¢ to \$1.05, and the C.I.O. International Woodworkers of America to \$1.02. Lumber operators claim wage boosts won't entice workers back to the labor-short industry. The unions assert they can't hold the workers on their jobs without the pay increase.

The cases, involving more than 100,000 workers, have been pending 16 months.

DRIFTERS CAN'T DRIFT

One of the problems the U. S. Army Engineers have had to cope with in construction of military installations on the barren Aleutian Islands is the floater—the itinerant laborer who in peacetime worked at one job only long enough to stake himself to a meal (or a binge) and a ticket to somewhere.

Among the hundreds of civilian construction workers recruited in Seattle for jobs in the wilderness paying a minimum of \$92 for a 70-hour week, it was inevitable that the Army pick up its share of drifters. And it was inevitable that the Army's unequivocal discipline would stir up beefs.

How it feels to be a drifter with no place to drift is the essence of a complaint lodged with Army and trade union authorities by the first group of drifters shipped back to Seattle. When they quit their jobs in the Aleutians, the Army, instead of turning them loose, clapped them for security rea-

that the select representative and one order evi

into what they call a stockade until shipping space became available to return them to the States. The wait, in some cases, stretched to 90 days. The Army explained that preference on passage was given to soldiers, many of whom had been on the islands for two years. In hope that future disagreements can be avoided, the affected unions have sent representatives to the Aleutians to be employed as the contractors as labor conciliators.

FEPC FINDS AN EXIT

In contrast to many other New Deal agencies which appear to be most determined when a question of jurisdiction arises, the Fair Employment Practices Committee, concerned with stamping out race discrimination in industry, has taken advantage of a technicality to limit its scope. This happened in the South where the Negro issue is incendiary and from which the Administration hears disquieting echoes of political subversion.

Involved in the case was the classified advertising section of the Dallas (Tex.) News. The News published a want ad which specified that a Negro was wanted for a job. FEPC's regional director at Dallas immediately cited the newspaper as violating the fair employment code established in the President's executive order on the subject. Promptly the FEPC overruled its Dallas representative, holding that newspapers cannot be classified as war industries, to which the committee's jurisdiction is limited.

The News, speaking for Dallas industries, is loath to let the matter rest by admitting FEPC to exit through a technicality. It wants an unequivocal answer whether "FEPC has the authority to break down the traditional Southern segregation of races in private industry." So far, FEPC has kept itself too busy with other things to tell the Dallas News where it stands.

JIM CROWISM SUSTAINED

A showdown fight over the disputed right of unions to bar Negro shipyard workers from their ranks while compelling the Negroes to join Jim Crow auxiliaries was started toward the California Supreme Court last week.

Counsel for more than 5,000 Negro workers announced they would appeal the higher court for settlement of the issue, following a San Francisco Superior Court decision in which it was held that the A.F.L. boilermakers union could not be compelled to accept Negroes as members on an equal basis with whites.

The decision sustained demurrers filed by the union and the management

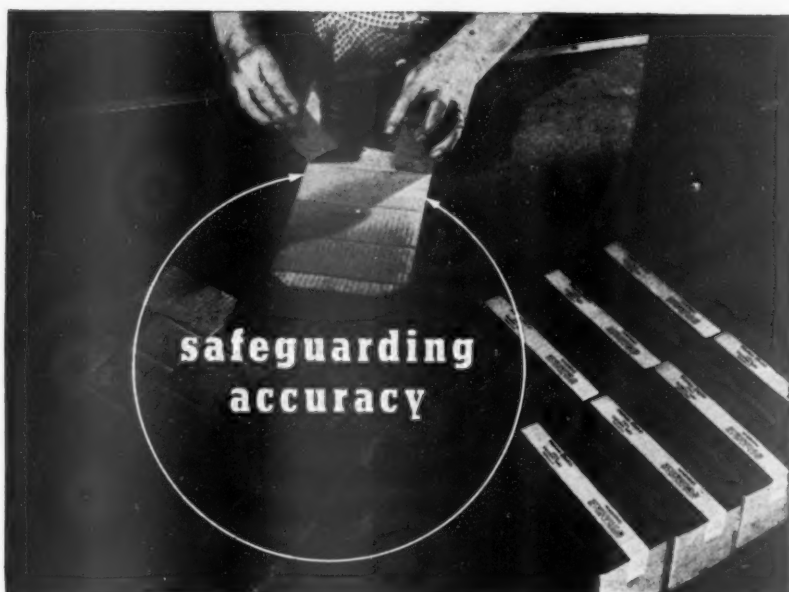


PHOTO - WESTERN ELECTRIC CO.

Life and Victory on the battlefield; increased production and improved quality on the homefront . . . all depend, in a large measure, on the accuracy of sensitive, scientific equipment. Protecting this accuracy enroute is the important assignment entrusted to war-time packaging.

Among the multitude of packages manufactured by H & D, none had to be more painstakingly designed than the package to transport electronic tubes. The almost magic performance of these tubes is lost, if jarring falls or bumps disturb their high accuracy-quotient. So—for safe, undamaged arrival many of these tubes make their journeys in H & D corrugated shipping boxes like those pictured above (licensed by Western Electric Company, Incorporated).

Today H & D is looking beyond the call of war-time duty. H & D Package Engineers are planning many packages for the peace-time pursuits of far-visioned customers . . . planning them with the great background of packaging knowledge accumulated in packaging for War. These men of the H & D Package Laboratories are ready now to help you prepare postwar packages that will protect and promote your products. Write for complete information.

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Greater safety in shipment; better store handling service; reduction in over-all packaging costs; factory-fresh, undamaged merchandise for customers . . . these are the aims of H & D Prepak. The complete story

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AUTHORITY ON PACKAGING . . . CORRUGATED SHIPPING BOXES

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EVEN though the hare lost its famous race with the tortoise, we think we'd back the long-eared animal in any rematch. And production speed is going to be a vital factor in the postwar world. Indeed, our hope of postwar prosperity is based largely on low-cost production . . . to keep consumption high and *provide jobs for everyone*.

Here at Acme our consulting engineers can help with your production problems—current or postwar. We also design and build special tools; produce dies, patterns, gages, fixtures. And no better heat-treated aluminum castings are made than those which carry the Acme name.

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HEAT-TREATED ALUMINUM CASTINGS... PATTERNS... TOOLS
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of the four Kaiser-operated shipyards in Richmond, Calif., to a temporary restraining order. The court based its decision on a ruling by the California District Court of Appeal in 1925 that "power to require admission of a person in any way objectionable to the society is repugnant to the scheme of its organization."

Counsel for the Negroes will appeal to the Supreme Court.

STOCK SOLD TO WORKERS

In concert with the trend toward greater employee participation in the affairs of the employer, the Progressive Welder Co. of Detroit has fallen in step with those companies which have earmarked portions of their stock shares for purchase by the workers.

The company, which manufactures resistance welders, has made available to its 300 employees close to half of its stock, taken from its treasury holdings, and so far about one-third of the employees have subscribed, either with cash or by payroll deductions. Two of the new shareholders—one an employee of the shop, the other an office employee—have been elected to the five-man board of directors.

A year ago, Progressive Welder set up an employee's profit-sharing fund into which, at the end of each year, the board of directors may authorize a lump payment. The size of the payment is determined by the board within the limitations of federal law.

The Treasury Dept. has been asked to approve an amendment to this plan which would authorize the trustee of the fund to purchase company stock for the joint interest of participants.

WHITE-COLLAR UNION

White-collar and professional workers have had sympathy for the vise in which they have been caught by the wartime squeeze between their fixed incomes and the rising cost of living (BW—Jan. 29'44, p99). Last week some 75 professional, scientific, trade union, and other white-collar organizations sent representatives to a two-day conference in New York City to talk over the situation.

Possible courses of action were discussed under the guidance of more than 50 economists, teachers, business, trade union, and public leaders.

Delegates voted to form a permanent organization to be known as the National Council of Scientific, Professional, Art & White Collar Organizations. Prof. Kirtley F. Mather of Harvard University was chosen interim chairman until the new body holds its first formal meeting next October.

THE WAR AND BUSINESS ABROAD

BUSINESS WEEK

JUNE 10, 1944



Don't delay the revising of your perspectives to fit the week's momentous developments in Europe.

D-Day arrived along the Normandy coast of France on June 6, but—unless Allied plans unexpectedly miscarry—**showdown battles with Hitler are bound to develop at a dozen new points in the next few weeks.**

It is no longer a secret that **the battle pattern of the Supreme Allied Command is to sweep Hitler out of Europe in a blitz so bold in concept and overwhelming in equipment that the Wehrmacht will be crushed before the end of the year (BW—May 6'44, p113).**

Confidence that the Allies can put across the blitz is far greater than that they are prepared to handle either the economic or the political tasks that will confront them as soon as territories are liberated.

Unless the Axis is forced to retreat too rapidly to carry out its scorched earth plans, Allied supplies of food, clothing, and rehabilitation materials will prove alarmingly inadequate to meet demand.

Military authorities, theoretically responsible for relief during the first few months after liberation, are reported to have admitted in the last few weeks that **stockpiled relief supplies are almost certainly too small to meet immediate demands.**

Only on June 2 did the United Nations Relief & Rehabilitation Administration get the approval of the House Appropriations Committee for its first U. S. funds—\$450,000,000.

Purchasing missions from several of the governments-in-exile which have funds at their disposal (France, Belgium, The Netherlands, Norway) have been allowed to buy only limited quantities of a few supplies for which there is little war demand.

Beyond this, they have been able to do little more than apply to the Combined Boards for supplies which they hope will be sold to them once the invasion is an assured success.

Political rehabilitation plans are equally nebulous.

Civilian control commissions, made up entirely of specially trained natives, will follow the liberating armies into Norway, Belgium, and The Netherlands. They are fully approved in Washington, London, and Moscow.

But no agreement has been reached on France, and trouble can be expected. London supports De Gaulle. Washington will not recognize him until he has proved his authority in France area by area.

President Roosevelt feels so strongly on the question that he is expected to refuse recognition until he visits France personally in the wake of the liberating armies.

No Nazi front is safe from the attack that has now begun. The mass landings in France point to others—in Holland, in Belgium. The Dutch have already been warned to evacuate their coastal zones.

Belgium, with its compact network of railroads and proximity to Britain, may be saved for the major assault—after protecting flanks are established both to the north and to the south.

Norway is on immediate dilemma for the Nazis. If they attempt to hold it,

THE WAR AND BUSINESS ABROAD (Continued)

BUSINESS WEEK

JUNE 10, 1944

they may be cut off by an Allied assault on vulnerable Denmark. If they withdraw now, their position in Finland becomes untenable and they abandon airfields dangerously near Denmark.

The Mediterranean is becoming a Nazi nightmare.

Berlin knows that Allied planes and landing boats are massed in Corsica—less than 90 miles from the southern shores of France and the strategic Italian port of Genoa.

Their scouts report the arrival in French African ports of a steady stream of equipment and supplies, and they realize that thousands of French troops are training with modern U. S. equipment.

Each mile that Allied armies push north of Rome strengthens their ability to run supplies across the Adriatic to Tito.

Though the battles of Yugoslavia are likely to be fought by Tito and the Russians, the Allies may help take and hold an Adriatic base into which modern equipment can be poured.

Don't overlook the significance of the British government's vigorously worded protest to Turkey this week over the use of the Dardanelles by German warships recently employed in Black Sea operations.

It serves notice on Ankara that, by according this privilege to the Nazis, the Turks have nullified an international convention which the Allies need no longer observe.

Since Allied shipping could hardly venture to pass through Nazi-held Aegean waters to the Dardanelles, it is apparent that a Russian drive across Rumania south of the Carpathians is expected to link up with Tito and force German withdrawal from that area. As anticipated (BW—Apr. 8'44, p112), Allied and Russian shuttle bombing is now under way.

This cooperation will continue and expand as Russia presses its attack on the Nazis from the east.

The recent German offensives against the Russians in eastern Rumania were only attempts to delay this attack which would swing the eastern front into the summer's showdown battles.

The arrival in Washington of the Polish prime minister is a last desperate effort to bring about a reconciliation between the Russians and the Polish government-in-exile.

It is significant proof of the closer diplomatic ties now developing between Washington and Moscow. It may mean that Roosevelt has won a diplomatic victory over Churchill, forcing collective action, rather than power blocs, to preserve the peace (BW—May 6'44, p116).

Don't miss the shrewd play Britain is making to build goodwill in western Europe.

Supplies—prominently carrying British labels—will be the first to reach liberated cross-Channel neighbors.

Stocks of food, medicines, and clothing from all parts of the British Isles—where they had been carefully cached in case the Nazis attempted an invasion—are being augmented and readied to meet the first, limited relief needs in France and the Low Countries.

Mexico's Future

Its program of planned industrial development is well advanced, indicating steady growth in peacetime markets.

The economic revolution that has been under way in Mexico for the last few years is the biggest thing that has happened to the country since it threw open the door to foreign capital 60 years ago and hoisted the economy out of its primitive pattern.

A Definite Program—Peace will find Mexico well advanced on a program of planned industrial rehabilitation and development.

Light industries will be in a strong position to compete for the domestic and export business.

The demand for heavy industrial equipment will be substantial.

To Act As Balance—Mechanization and technical improvements in agriculture will balance the rapid shift of the economy toward manufacturing and service enterprises.

The impending cutback in mining, hard as it will hit, may be cushioned by the demand for labor in industries now held back by lack of new or replacement equipment from abroad.

Study Is Needed—All these shifts and trends in Mexico deserve careful study. They provide clues to develop-

ments elsewhere in the hemisphere; and U.S. techniques of collaboration in Mexico are likely to be the pattern for future activities elsewhere.

For nearly five years the swift course of world events has obscured the significant drift of changes in neighboring economies which will alter their future status and relations, tradewise, with American business.

In 1939, Mexico was embarked upon a six-year program of industrial rehabilitation and development. Business activity was rising steadily from the doldrums which followed the expropriations of the mid-thirties. Between 1929 and 1941 the Mexican national income nearly trebled; it rose 7% more in 1942, to an estimated \$1,600,000,000—just over 1% of the U.S. level today.

I. AGRICULTURE

Mexican agriculture, reacting to local and foreign demand, hit new levels in 1941, and again in 1942.

The index of Mexican agricultural output (1929=100) has run as follows:

1938	115
1941	134
1942	161

In 1943, two staple crops—corn and beans—slumped 20% and 25% respectively. Drought was a principal cause, but higher prices for other more remunerative (chiefly vegetable oil) crops diverted both acreage and manpower. Prices ran as follows:

LATIN AMERICA III

This is the third in a series of reports designed to interpret wartime developments in Latin America that will affect American post-war trade.

In this report, Business Week surveys the status of Mexican agriculture, mining, and industry, the changes which have occurred as a result of the war, and their implications for the future.

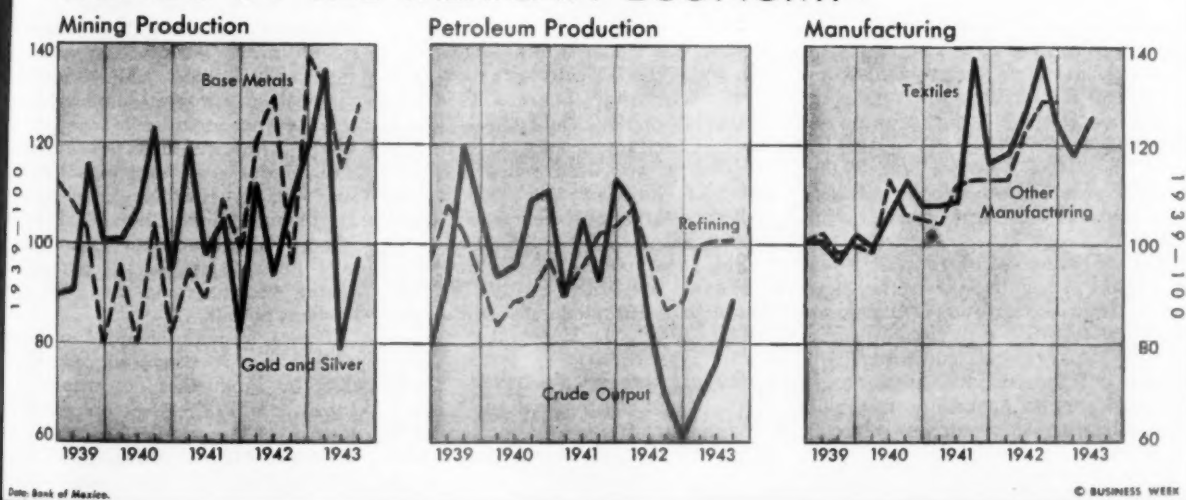
Previous reports have dealt with U.S.-Latin-American trade (BW-Apr. 8'44, p113), and war-born changes in Latin-American industry, mining, agriculture, and intra-Latin-American trade (BW-May 20'44, p22).

Future reports will continue the country-by-country study of wartime trends important to American business.

	Sesame	Peanuts	Beans	Corn
1939	100	100	100	100
1940	104	95	45	77
1941	122	95	67	91
1942	158	114	53	87
1943	195	205	56	123

• **Why Crops Slumped**—Other factors contributing to declining output were: less favorable credits from banks than were offered for oilseed production; increased farm income, lowering incentive to market maximum crops; shortage of

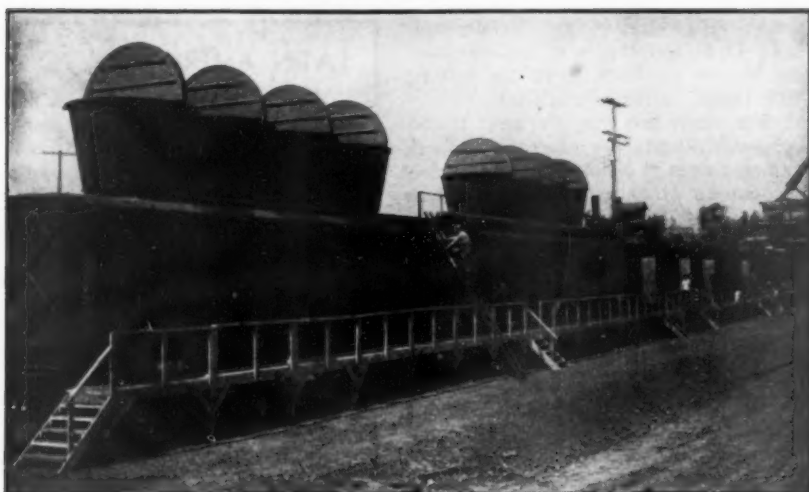
TRENDS IN THE MEXICAN ECONOMY



Mexican production of copper, lead, zinc, and other base metals rose sharply after 1941 to meet demands of U.S. war industry, but gold and silver output, hit last year by labor short-

ages, slumped badly. Export, and hence production, of crude oil dipped in 1942 when submarines lurked in the Caribbean, recovering last year as shipping improved; Mexican refining

held up, meeting expanding domestic needs. War prosperity at home combined with the cutoff of imports to expand Mexican textile and other manufacturing output from 1939 on.



ROVING POWER PLANT

One of a fleet of mobile power plants built to supply reconquered territories with electricity undergoes tests before delivery to the Army. Mounted on an eight-car train, the 5,000-kw. unit is operated by two stoker-fired coal boilers which produce 80,000 lb. of steam hourly for the turbine. This steam is reconverted into water by 90,000 sq.

ft. of condensers through which air is drawn and exhausted via eight funnel-shaped stacks. The power train is one of ten being built by Westinghouse in its new assembly plant at New Philadelphia, Ohio. A similar layout produced by General Electric and American Car & Foundry Co. last week was presented to the Soviet government for bringing power quickly to its liberated areas.

farm labor, diverted to industry and mining, and to the United States; lack of new agricultural equipment; and disruption of normal distribution, as railroads concentrated on moving war essentials. Corrective measures have been manifold: increased credits for corn cultivation by the Bank of Mexico; compulsory cultivation of new acreage; controlled distribution; increased food imports; and imports of farm equipment.

Imports of 180,000 tons of corn, and 100,000 tons of wheat (BW-Jan. 8'44, p49), plus 10,000 tons of lard, 70,000 tons of sugar, and other foods, will help to counteract the threat of runaway inflation.

• **Aid for Farmers**—In December, 1943, as a result of negotiations by the Mexican-American Commission for Economic Cooperation, Mexico received 949 tractors, 989 plows, 180 cultivators, 105 seeders, 877 harrows, 105 scarifiers, and 22 bulldozers, to increase farm output. The emergency shipment was valued at \$6,000,000.

II. UTILITIES

Railroad rehabilitation and construction (BW-Mar. 18'44, p114) have been speeded by a U. S. technical mission. Tonnage hauled and passengers carried have risen sharply:

	Tons	Passengers
1938	9,600,000	17,000,000
1942	10,800,000	19,500,000
1943	13,800,000	22,800,000

Production of electrical energy has risen 5% during the war, but lack of power has been acute, particularly in the Federal District.

• **Expansion Under Way**—Mexico's ten-year \$60,000,000 electrification program is well under way. Between 1938 and the middle of 1940, the Federal Electric Power Commission invested only \$1,900,000 on new developments. In the last year, however, new facilities installed by the commission amounted to \$4,600,000.

Five new power plants are being built, and one partly finished at Ixtapantongo is already supplying the capital city (BW-May 20'44, p114).

III. MINING AND STEEL

Mining traditionally has been a major source of Mexican wealth. Just before the war, Mexico ranked first as a world producer of silver, second in antimony and molybdenum, third in lead, fourth in mercury, fifth in zinc, and sixth in gold.

• **Output Increases**—Between 1938 and 1941, Mexican mineral production spurted: copper, 16%, tungsten, 28%,

antimony 38%, and mercury 17%. Over-all mineral output rose farther in 1942, and continued at high levels in 1943 despite initial drops in foreign prices and purchases. From the outset, Washington agencies contracted to purchase Mexico's exportable surpluses of mercury, tin, zinc, manganese, tungsten, and antimony.

Petroleum production and refining (chart, page 109) will receive a \$16,000,000 lift this year. An old pipeline will be improved, a large refinery will be built near Mexico City, and much needed exploration and improvements in the oil fields will be made (BW-Jan. '44, p114).

Domestic oil consumption rose 7% between 1938 and 1943.

• **Exports Possible**—Mexico's coal, iron, and alloy mineral resources are capable of supporting an iron and steel industry large enough to meet domestic requirements and to enter into export markets. Before the war, production was barely 50% of needs, but wartime expansion has been on the order of 100% war imports (150,000 tons).

In 1940, Fundidora de Hierro y Acero in Monterrey, produced 95,000 metric tons of pig iron, but new installations boosted this figure to 165,000 tons in 1943. Altos Hornos, at Monclova, organized in 1942, is expected to produce between 95,000 and 125,000 tons of flat-rolled products annually when completed.

IV. MANUFACTURING

Mexico's chief industry, from the standpoint of the value of products and of raw materials consumed, is food processing. In 1940, there were \$8,000,000 establishments with production of more than \$100,000,000, and 90% of the materials entering into production were of domestic origin.

• **No. 2 Industry**—The textile business with production valued at \$85,000,000 in 1940, is Mexico's second industry. It obtains 81% of its materials locally. Mexico is self-sufficient in cotton, except for long staple, but requires imported wool for more than 55% of its woollens output.

Rayon, formerly obtained solely from abroad, is now produced near Mexico City by Productura de Artisela, S. A. (opened in 1942), with output of 650 tons in 1943.

• **Gain in Manufacturing**—In 1929, tanning and leather goods industry products were valued at \$7,900,000; by 1939 the value of output had risen to \$18,300,000; by 1942, production had risen another 25% and export of unmanufactured leather had almost ceased.

In 1942, Mexico supplied the U. S. market with 3,000,000 huarachos (sneakers).

*Note to Victory Gardeners
from the Atlas
Research Laboratories*

**"You've Gotta Wet 'Em
to Get 'Em!"**



NNOR is a new spray that makes control of garden pests easier for victory gardeners. It *wets* all types of fruits and foliage. It *penetrates* the hairy or waxy covering of insects. It *spreads* in a continuous, even film. This product of Atlas chemical research will help your victory garden to yield more vegetables because it more efficiently kills garden insects.

NNOR extends the effectiveness of rotenone, a powerful but scarce insecticide. Added to rotenone is a new Atlas chemical, NNO or technical mannitan monolaurate, which is both an insecticide and a spreader. Results:

1. NNOR Garden Spray makes current rotenone reserves go 3 to 4 times as far.
2. The combination of NNO and rotenone makes a much better insecticide. Field tests prove that NNOR kills practically all garden pests.

Solving wartime scarcities is one of the jobs handled by Atlas research laboratories—now vastly expanded to meet war's demands for new chemicals and new processing "know-how." Usually, the search for a wartime substitute leads to something better, with interesting postwar possibilities. For instance, Atlas research developed an extender for scarce animal glue—and produced a better adhesive. New Atlas emulsifiers now permit manufacturers of a wide range of products to make solutions with *water* instead of scarce volatile solvents. *Result:* Superior products at lower cost.

There are many fascinating ideas in the stockpile built by Atlas research. If your activities come within our province, you'll profit from synergism*—your technical men and ours on the same side of the table, swapping ideas. It works. Consult us.

***Synergism**—a growing habit in American industry. Men bring problems and ideas together so that minds "click" to produce a result far greater than the sum of ideas expressed. So to speak, they make $2 + 2 = 5$.

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Dubl-Tape Closure

The Union Special Dubl-Tape Closure is produced on paper bags, after they are filled, by a Union Special Style 60000 C sewing machine. These packages are inexpensive, eye-appealing, secure, easy to open. The machine forms the closure by simultaneously performing the following operations:

1. Applies two strips of paper reinforcing paper tape to each side of the bag near the top.
2. Sews through the tapes and bag.
3. Trims the bag top to provide a neat upper edge.
4. Clips the tape between the bags.

Union Special Bag Closers are ideal for both large and small producers and can be installed for automatic or semi-automatic installation. If your products are adaptable to paper bags it will pay you to investigate the many benefits offered by this packaging method. WRITE FOR NEW BULLETIN NUMBER 100.

Below—The Coffee Corporation of America packages in paper bags, closed after filling, with the Dubl-Tape Closure. The user reports: "... the machine really stands up under continual use ... the sewed bag has met with approval by the customer. Production is 30 to 35 per minute."



Union Special
Machine Company

408 N. Franklin St., Chicago 16, Ill.
Originators of Filled Bag Closing Equipment, Est. 1881

dals). Late last year, with the industry working at capacity, Mexico imported 200,000 hides from Argentina, Cuba, and Colombia.

Construction in Mexico, at high levels now, is based almost entirely on local materials. Production of cement in 1941 was valued at \$4,500,000—more than double 1939 output. Output of the nation's eight factories has been as follows:

	Metric Tons
1941	537,000
1942	584,000
1943	744,000

• **Gets U. S. Rubber**—Before the war Mexico's rubber industry used 6,000 tons of imported raw rubber annually. By agreement between Mexico and Rubber Reserve Co., Mexico received 125 tons of natural, and 125 tons of synthetic rubber monthly from the U. S. in 1943; during the current year, Mexico will receive 200 tons of natural, 110 tons of synthetic, and 31 tons of reclaimed rubber monthly.

Guayule production in 1940 amounted to 6,000 tons, advanced to 8,000 tons in 1943, and is expected to reach 12,000 tons this year.

Liquor output rose from a 1935-1938 average of 2,100,000 gal. to 3,300,000 gal. in 1942, and 5,020,000 gal. in 1943. Mexico exported nearly 2,000,000 gal. to the U. S. last year.

V. THE FUTURE

It is difficult to predict the ultimate effects of Mexico's wartime expansion. Such industries as textiles, chemicals and pharmaceuticals, food processing, leather goods, rayon, glass, and cement have expanded primarily to supply the domestic market. Vegetable oil production, in part for export, doubled between 1942 and 1943, and special effort has been directed to supplying previously imported items such as olive oil (BW—Mar. 18'44, p114).

Minerals, alcohol, fiber, guayule rubber, and lumber have been expanded chiefly for export to the U. S.

• **Many New Companies**—In addition to these basic expansions, light industry and metalworking have grown swiftly. In 1943, for instance, 63 tax-free firms with capitalization of \$16,000,000 were set up.

The Avila Camacho government, however, in league with U. S. experts, has a six-point counterattack planned to meet any threatened postwar recession:

- (1) Development of new manufacturing industry, i.e., balancing the economy.
- (2) Improvement of agriculture.
- (3) Rehabilitation of the petroleum industry.
- (4) Ten-year program of electrification.

(5) Revival of tourism.

(6) Rehabilitation of transport.

Key to this plan is the coordination of machinery set up by the U. S. in Mexico following the meeting of President Avila Camacho and President Roosevelt (BW—Apr. 24'43, p16). From the Mexican-American Commission Economic Cooperation was set up; it then established the Mexican-American Industrial Commission.

• **Broad Powers**—Furthering—and financing—Mexican economic development is the chief concern of the commission and programs for the orderly development of the electrical, steel, rubber, cement, chemical, textile, sugar, alcohol, and pulp and paper industries have been considered.

Mexico's Dept. of National Economy has broad powers to prevent overdevelopment of any line and means of encouraging development in those requiring assistance. Two industries—milling and rubber manufacturing—ready have been declared "saturated" and expansion or addition of new is prohibited.

• **Follows a Pattern**—This collaboration on the national basis is an extension and an outgrowth of broader hemisphere collaboration epitomized by such working bodies as the conferences of Ministers of Foreign Affairs, the Inter-American Financial & Economic Advisory Commission, and the Commissions Inter-American Development (BW—May 20'44, p113). On a less advanced scale, the Mexican pattern of cooperation with Washington is duplicated most of the other hemisphere republics.

Industry for Spain

Power projects, railways, electrification, irrigation schemes, aluminum plants, and shipbuilding envisioned by Madrid.

MADRID (Cable)—Spain is setting the stage for a large industrialization program which is to be undertaken soon after the war as equipment can be secured from abroad.

• **Patterned After RFC**—Following recent moves to thaw large foreign credits (BW—May 20'44, p114), and to resume royalty payments to foreign companies (BW—May 27'44, p114), the Spanish government has now set up a national industrial institute (Instituto Industria) which will function more or less as the Reconstruction Finance Corp. does in the U. S.

No definite figure has been revealed yet on the amount of capital that is to be available for industrialization, but

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and officials have just outlined a number of specific projects because the U.S. is expected to attract foreign technicians and machinery suppliers. Power and Irrigation—Topping the list is a sizable hydroelectric power project which, when completed, will cost \$8,000,000 kw. to Spain's present 7,704 kw. capacity. Private companies already operating in the country are expected to expand their existing facilities by an additional 1,130,000 kw. stemming from this new power development will be the electrification of 60 mi. of railroad—about 25% of the nation's mileage.

Aluminum and Nitrogen—Also growing out of the increased supply of electric power will be a small aluminum industry—planned now to have an annual capacity of 5,000 tons, and a nitrogen producing plant to be based on German patents and scheduled to produce 67,000 tons a year.

Despite the prospect that there will be a surplus of ships available after the war—some of which might be secured on advantageous terms by Spain—Madrid is making a 2,000,000-ton shipbuilding program one of the basic projects in its postwar plans.

Private Capital Sought—Reflecting Spain's complete dependence on petroleum imports, a small synthetic gasoline industry is to be based on the large oil deposits near Teruel.

Private capital is being encouraged to participate in all projects. In fact, the government will support a proposed undertaking only when at least 26% of the necessary capital for launching the project has been secured from existing industries or individual investors. The chance, if the project is approved, will be provided by the institute at interest rates ranging from 3½% to 4%. Whenever private capital is prepared to buy out the government interest, it will be encouraged to do so.

Spain Has Cash—When confronted with the question of how Spain expects to pay for the large quantities of imported equipment which will be required to carry out the program, Madrid planners point to the dollar-pound accumulations running to many millions of dollars.

They also hope to increase sales of walnuts, cork, almonds, olives, and olive oil to the United States—if the U.S. is ready to buy. In 1935, the U.S. bought \$75,000,000 of these products. Also, by granting favorable concessions to new business and switching from the export of raw materials—chiefly mineral to manufactured products, Spain hopes to engage in a profitable three-cornered trade that will net dollars with which to buy American equipment for which they have a preference.

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THE MARKETS

(FINANCE SECTION—PAGE 42)

The news on Tuesday that the invasion of Europe was finally under way did generate some market nervousness. A number of buying orders for various stocks were hastily withdrawn before New York Stock Exchange trading opened, and early transactions indicated that some confused investors and traders were then more inclined to sell than buy securities.

● **Industrials Rise**—The market otherwise disclosed no evidence of the serious case of "invasion jitters" many Wall Street statisticians had expected when the second front opening occurred (BW—May 6 '44, p. 75).

Actually, the industrial shares led by the motor stocks showed a violent uptrend, accompanied by substantial trading volume, soon after the market opened on Tuesday. Also, this move, before it finally lost its momentum, pushed most of the industrial stock price indexes into new high ground for 1944.

● **Some Profit-Taking**—Some of this enthusiasm did vanish after the noon hour. A trend towards profit-taking which followed subsequently caused most stocks to retreat from their highs of the day and in some cases wiped out all but a small part of the earlier sharp gains.

Trading volume during this period, however, was of smaller proportions than when definite price strength was being evidenced earlier. And the industrial averages at the market's close on Tuesday disclosed a fair gain on the day despite this liquidation movement.

● **A Big Day**—Volume Tuesday was the largest on the Big Board since last November, and Street bulls hail the day's

showing as confirming their opinion that the market some time ago discounted the unfavorable aspects of the invasion.

There are many, however, who think it is too early to celebrate. They say the optimists overlook the selectiveness of Tuesday's market, when 336 issues declined contrasted with the 404 that moved higher, the weakness now showing up in many commodity markets. Also pointed out is the dismal subsequent showing made by the rail stock and second and lower grade rail bonds. The latter, hitherto prime speculative favorites, have been dropping sharply since the invasion news was received.

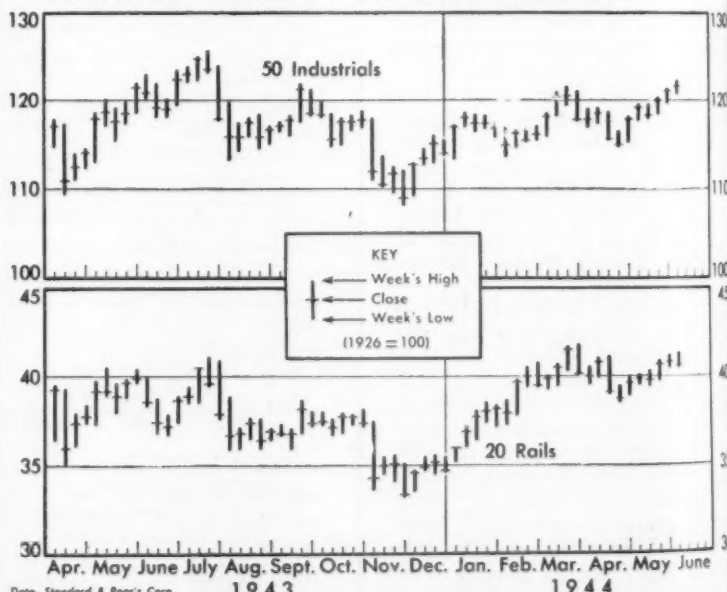
● **General Reaction**—The conservative attribute this to increasing apprehension that events abroad from here on will soon accentuate the downtrend in earnings. And they are now wondering, too, if continuation of this may not cause some holders of other securities to ponder more seriously on the effect of these events on industrial earnings in general, and thus cause some additional selling either to collect profits available or to protect capital now invested.

Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
Stocks				
Industrial ...	121.6	121.1	119.2	121.1
Railroad	40.6	40.8	39.9	38.4
Utility	51.6	51.4	50.9	47.4
Bonds				
Industrial ...	122.0	121.9	121.1	116.3
Railroad	106.5	107.3	106.1	98.4
Utility	115.8	115.7	116.3	114.4

Data: Standard & Poor's Corp.

COMMON STOCKS—A WEEKLY RECORD



Data: Standard & Poor's Corp.

Collective Bargaining

Last week some 2,000 members and guests of the American Management Association met in New York City for a "re-examination of the function of collective bargaining as a fundamental part of labor-management relations in the United States," on the premise that "the collective agreement is not intended simply for the protection of labor but for the protection of management as well." (I quote from the conference program.) The A.M.A. takes no position on controversial issues, so no conclusions were reached, no resolutions were passed, and no policies were decided. But these few extracts of some of the speeches indicate the trend of the discussion.

George W. Taylor, vice-chairman of the National War Labor Board (NWLB): Collective bargaining "is neither a grudging series of concessions from management nor a wringing of concessions by the unions; it is not a rear-guard action by either side. In the positive sense, it is a way of industrial life," which must function if the very capitalist system itself is not to be endangered. Industrial democracy must work, or else. Both parties must preserve the rights necessary for the exercise of their respective functions. Management must keep its right to discharge, to direct the working force, to price the product, etc. On the other hand, labor's request for union security is necessary for collective bargaining, and management should adopt a positive attitude toward union security.

A signed agreement is only a beginning. It must be worked out effectually in day-to-day relations. "That will determine whether you get a Boris Karloff or a Hedy Lamarr. And it's tough work." Management must develop a positive, permanent program of collective bargaining.

* * *

Lloyd Garrison, public member of the NWLB: "Apart from the board's pioneering work in the presumably temporary field of wage stabilization, the board has turned out relatively little that is new. On the contrary it has relied upon industrial experience as the primary source of its rulings. . . . It is the nature of the case method, as it is the nature of labor relations, never to stand still, but to be constantly evolving under the pressure of concrete situations and specific problems. . . . Until the war, our thinking had been concentrated almost entirely on the affirmation of rights—the rights of workers, the

rights of unions, the rights of employers. The necessities of all-out production for war, and the promptings of patriotism, have led us since Pearl Harbor to examine more closely and to affirm more vigorously than ever before the responsibilities which go with rights."

* * *

Chairman William H. Davis, NWLB: "Management's stake in collective bargaining is to make it work so that government can be forced to the sidelines. . . . If governmental participation in labor relations (after the war) is made a permanent part of our industrial system, both management and labor stand to lose the freedom of action and the essential character they have had in the past. . . . I believe that public opinion will insist on more harmonious and constructive relations between management and labor, as the alternative to government interference."

* * *

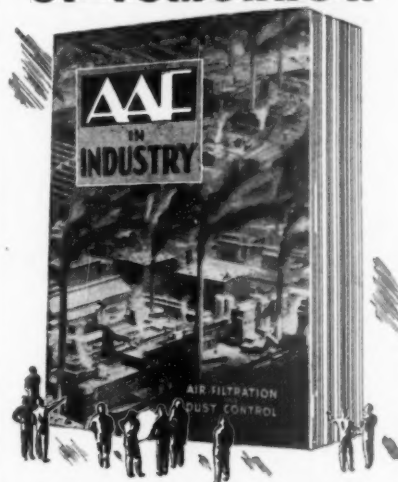
Thomas Roy Jones, president of American Type Founders: In a serious percentage of American industry, management already has bargained away to labor the rights of stockholders, customers, the government, and the public. "Management does not seem to realize that it, too, has a right to make demands, not only the right but the obligation to do so. The present scope of true bargaining must be broadened so that the labor conference becomes a true bargaining conference." Management has been uninformed and ill-equipped to hold up its end in the bargaining process. "Management, through years of shortsightedness and lack of understanding, and labor, through its aggressiveness and overplaying of its hand, have made industrial labor relations a public issue. Consequently, there will be legislation which will embody public opinion. Both management and organized labor must recognize that the public will impose its will upon us, so we must use our efforts to see that governmental participation is confined to conciliation and legal processes."

* * *

In this connection, it may be noted in passing that Cy Ching of United States Rubber Co., who presided over one of the A.M.A. sessions, recently offered much the same view that government's role in industrial relations will depend on the intelligence with which labor and management operate in their relations with each other. W.C.

POST-PEACE

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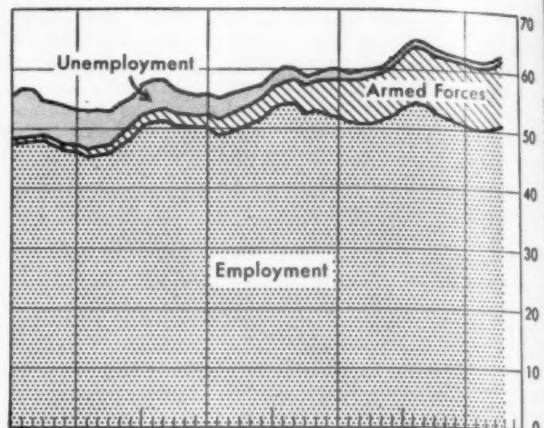
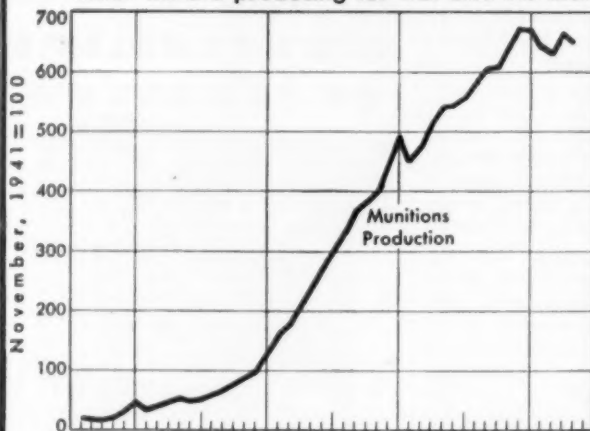
AMERICAN AIR FILTER CO., INC.
387 CENTRAL LOUISVILLE 8, KY.
In Canada: Darling Bros., Ltd., Montreal, P.Q.



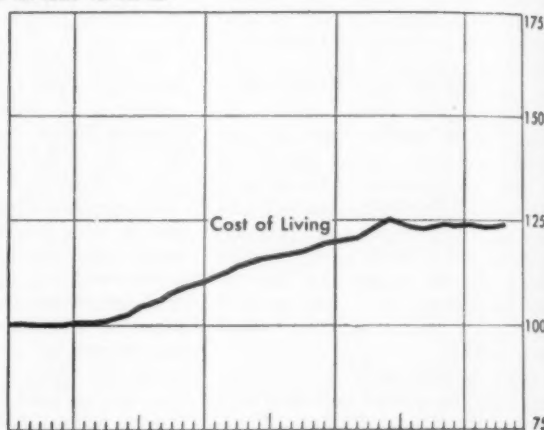
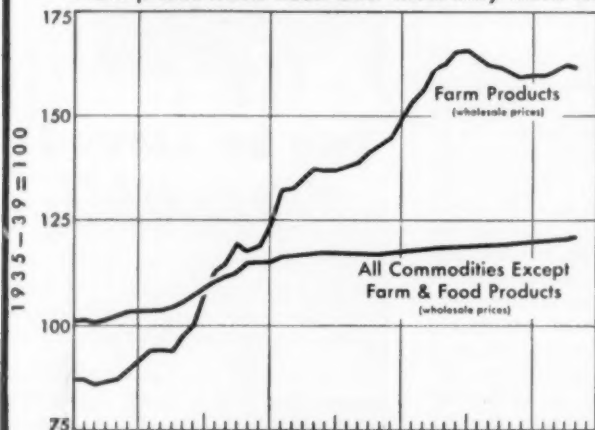
THE TREND

ON INVASION DAY—JUNE 6, 1944

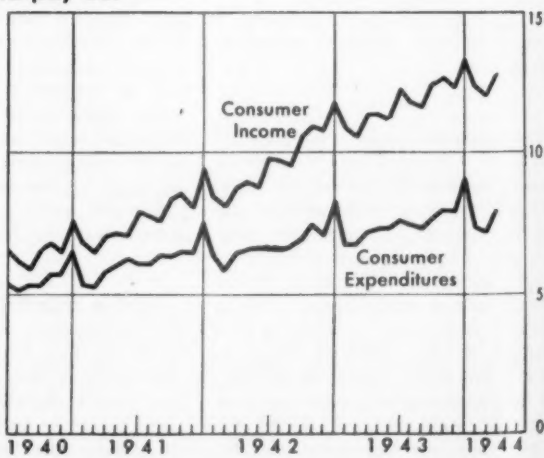
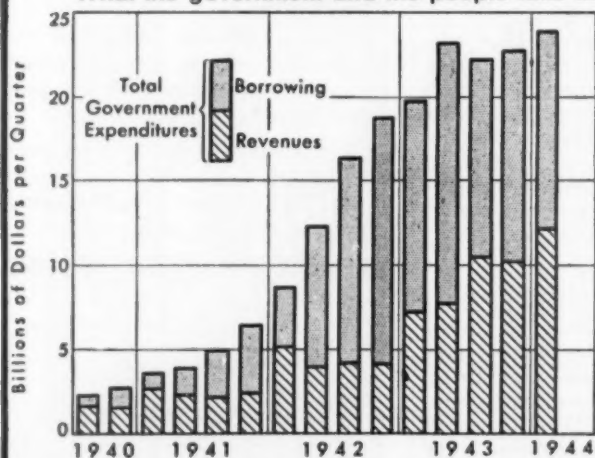
What we are producing for war and the manpower it takes



How prices have risen and what they have done to the C. of L.



What the government and the people take in and pay out



Data: Bureau of the Census; Bureau of Labor Statistics; Dept. of Commerce; National Industrial Conference Board; Treasury Dept.; War Production Board.

© BUSINESS WEEK

70
60
50
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175
150
125
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15
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Billions of Dollars per Month

WEEK
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